

FBIS**DAILY REPORT****CONTENTS***China*

Vol I No 118

18 June 1984

PRC INTERNATIONAL AFFAIRS

UNITED STATES

Wang Renzhong on PRC Foreign Investment Laws B 1
Huang Hua Fetes Salisbury, Other U.S. Friends B 1

SOVIET UNION

XINHUA on Recent USSR Offensive in Afghanistan C 1
Soviets 'Secretly' Mining Afghan Uranium C 2

NORTHEAST ASIA

Science, Technology Protocol Signed With DPRK D 1
DPRK Provincial Party Delegation Arrives 16 Jun D 1
Huang Hua Meets DPRK Publications Delegation D 1
Japan's Nakasone Meets Zhu Muzhi 15 Jun D 1
Wang Zhen Meets Visiting Japanese Guests D 2

SOUTHEAST ASIA & PACIFIC

SRV To Withdraw Partially From Kampuchea E 1
10,000 Troops To Leave E 1
Kampuchean Commentary E 1
Thailand: 'Propaganda Ploy' E 2
RENMIN RIBAO Commentary [17 Jun] E 2
YUNNAN RIBAO on Recent Fighting on SRV Border E 3
[5 Jun]
Guangxi Counties Award SRV Border Fighters E 4
Philippines' Marcos Addresses PRC Ties E 4

SOUTH ASIA

Zhao Ziyang Visits Pakistan Officials on Stopover F 1
Pledges Friendship F 1
Hits Soviet 'Intervention' [AFP] F 1
Afghan Resistance Leader on Soviet Offensive F 1
Afghan Resistance Reports 6 Soviets Planes Downed F 2

WESTERN EUROPE

Zhao Ziyang Visit, Statements in Milan Reported G 1
Meeting With Businessmen G 1
Press Conference G 2
16 Jun Departure G 2
Zhao Ziyang Returns Following Europe Trip G 3
Visit 'Complete Success' G 4
RENMIN RIBAO Editorial G 7
[18 Jun]
Yao Yilin Meets Danish Minister of Taxation G 8

MIDDLE EAST & AFRICA

Wan Li Meets Rwandan Interior Minister	I 1
Wu Xueqian Receives Angolan Government Group	I 1
U.S., Israeli Policies in Mideast Criticized	I 2
[RENMIN RIBAO 16 Jun]	
Commentary Urges End to Iran-Iraq War	I 2
[RENMIN RIBAO 18 Jun]	

PRC NATIONAL AFFAIRS

LIAOWANG Views Origins of Open-Door Policy	K 1
[NANFANG RIBAO 11 Jun]	
Interview With Li Rui on New Leading Bodies	K 7
[LIAOWANG No 21, 21 May]	
NPC Deputy Discusses Rights of Intellectuals	K 10
[GUANGMING RIBAO 25 May]	
RENMIN RIBAO on Problems of Daqiu Village	K 12
[10 Jun]	
Further on Daqiu Village [14 Jun]	K 16
China Democratic League Holds Work Conference	K 17
Huangpu Military Academy Celebrates Anniversary	K 18
Forum Held in Beijing	K 18
Xu Deheng on KMT-CPC Cooperation	K 18
Xu Xiangqian Sends Letter	K 19
Alumni Association Established	K 21
Adopts Charter	K 21
RENMIN RIBAO Carries HONGQI Table of Contents	K 22
[15 Jun]	

PRC REGIONAL AFFAIRS

EAST REGION

Further on Heavy Rainfall, Preparations in Anhui	O 1
Telephone Conference Held	O 1
Huai He Waters Recede	O 2
Fujian Giving More Powers to Enterprises	O 2
[RENMIN RIBAO 7 Jun]	
Jiangsu's Han Peixin Addresses Overseas Chinese	O 4

TAIWAN

AFP Reports Premier Says No Contacts With PRC	V 1
Premier Discourages Citizens From Mainland Visits	V 1
Limited Correspondence Allowed With Mainland	V 1
[CHINA POST 12 Jun]	
Rallies Mark 60th Anniversary of Whampoa Academy	V 2

HONG KONG MEDIA ON CHINA

Qian Junrui Discusses 'Hong Kong Model'	W 1
[HSIN WAN PAO 15 Jun]	
Center To Aid Trade Between PRC Zones, Hong Kong	W 2
[HONG KONG STANDARD 16 Jun]	
Executive Council Members To Visit Beijing	W 2

I. 18 Jun 84

PRC INTERNATIONAL AFFAIRS
UNITED STATES

B 1

WANG RENZHONG ON PRC FOREIGN INVESTMENT LAWS

OW151832 Beijing XINHUA in English 1454 GMT 15 Jun 84

[Text] Beijing, June 15 (XINHUA) -- Wang Renzhong, vice-president of the National People's Congress Standing Committee, said here today that Chinese law provided a long-term guarantee for foreign investment in China.

In a meeting with a visiting American Bar Association delegation, Wang Renzhong said the guarantee was no stop-gap but linked to China's long-term policy of opening to the outside world. Wang Renzhong said the lawyers and judges on the delegation might assure American investors and potential investors of this promise: "Any contract China signs with foreign firms will be honored." Foreign investors will surely mean to make profits out of their investments in China, he added. Their investment will also help China absorb advanced technology to develop its domestic economy.

Speaking on the Chinese Government's decision to open 14 more coastal cities to the outside world, Wang Renzhong said the move was aimed at inducing more foreign investment and advanced technology to transform old enterprises and build up new ones.

Wang Renzhong hoped that the American lawyers and judges would help promote friendship between their countries as well as economic and technical cooperation and exchanges.

During the five-day stay in Beijing, the delegation had met Zhang Youyu, president of the China Law Society, held discussions with Ren Jianxin, vice-president of the Supreme People's Court, on the setup and work of people's courts at various levels.

Gu Ming, deputy secretary general of the State Council and head of the State Council's Economic Legislation Research Center, briefed the guests on China's legislation work, particularly the development of legislation in the past five years. The delegation arrived June 10 at the invitation of Chinese Ministry of Justice and the China Law Society. The American lawyers and judges will leave here for Hong Kong tomorrow via Tianjin.

HUANG HUA FETES SALISBURY, OTHER U.S. FRIENDS

OW151758 Beijing XINHUA in English 1614 GMT 15 Jun 84

[Text] Beijing, June 15 (XINHUA) -- Huang Hua, vice-chairman of the National People's Congress Standing Committee, had a reunion with several Americans who are friends of the Chinese people at a dinner here today.

The guests were Dr E. Grey Dimond, president of the Edgar Snow Memorial Fund, Mr and Mrs John Service, Mr Harrison E. Salisbury, a columnist and former executive editor of THE NEW YORK TIMES, and Mrs Salisbury. Also present were Dr Ma Haide (George Hatem), Israel Epstein, Dr Wu Weiran, painter Wu Zuoren, friendship association Vice-President Liu Gengyin, Dr Huang Kun and Qin Xinghan.

XINHUA ON RECENT USSR OFFENSIVE IN AFGHANISTAN

OW151526 Beijing XINHUA in English 1503 GMT 15 Jun 84

[News analysis: Soviet Offensive Fails To Annihilate Afghan Guerrillas -- XINHUA headline]

[Text] Beijing, June 15 (XINHUA) -- The latest offensive against Panjsher Valley by Soviet occupation troops and Afghan Karmal regime forces has met stiff guerrilla resistance and world wide condemnation with many countries renewing their support to the guerrillas and their demand for a complete Soviet withdrawal from Afghanistan.

Contrary to the claim by the Soviet Army newspaper KRASNAYA ZVEZDA (RED STAR) on May 23 that the offensive was "successfully implemented" with the destruction of the Masud guerrillas who occupied the valley, guerrillas attacked Karmal troops and downed three Soviet helicopters and a MIG plane in the valley as recently as last Tuesday.

Panjsher Valley, a strategic guerrilla stronghold north of Kabul, has been long regarded by the soviet occupation troops as a thorn in their side. At the end of last April, the Soviets mobilized 20,000 troops, 500 tanks and armored vehicles, 60 and more helicopter gunships and 46 Tu-16 long-range bombers to start their seventh and the biggest offensive against the valley since their invasion of Afghanistan.

The guerrillas headed by Ahmad Shah Masud, known as "the lion of the Panjsher," were fully prepared for the offensive. They evacuated the inhabitants from the valley, temporarily shifted their main force elsewhere and dispersed the remaining troops. They stored up their weapons and grains, erected fortifications, laid mines and destroyed three bridges on the main highway connecting the valley and the outside.

After putting up dogged resistance and inflicting heavy casualties on the invaders, the Masud guerrillas, who had survived the previous six Soviet attacks on the valley, beat what they called a "tactical retreat." Burhanuddin Rabbani, president of Jumi'at-e Islami, the organization to which the resistance forces in the valley belong, described the retreat as "the same tactics" the mojahedin (freedom fighters) will use again "to draw the Soviets into the valley and then crush them."

Meanwhile, in an attempt to cut off Masud's guerrillas from their comrades in other regions of the country, Soviet troops also launched offensives in Mazar-e Sharif and Jalalabad in the east, Laghman in the north, Herat in the west and Nangarhar in the south and some other regions. However, this only served to make the guerrillas throughout the country more united and coordinated in military actions.

Abdur Rasul Sayaf, president of Afghan Islamic Unity of Mojahedin, recently called on guerrillas in the country to attack the enemy's strongholds, cut off Soviet supply lines and cooperate with the Masud guerrillas in their counter attacks. In Ghazni Province, resistance forces attacked a Soviet-Karmal convoy on May 21, killing 25 enemy troops.

I. 18 Jun 84

C 2

PRC INTERNATIONAL AFFAIRS
SOVIET UNION

In Nangarhar Province, guerrillas captured two military posts in Chperhar County in mid-May and a large quantity of arms and ammunition. In Herat Province, a guerrilla ambush on a Soviet convoy near Robat-e Sangi in the third week of May inflicted 50 casualties on the Soviets.

All told, the Soviets failed to reach their set goal to annihilate the main force of the Masud guerrillas. Although they have gained dozens of footholds in the valley, frequent guerrilla attacks and logistic difficulties will make the Soviet troops there on edge all the time.

SOVIETS 'SECRETLY' MINING AFGHAN URANIUM

OW140939 Beijing Domestic Service in Mandarin 2230 GMT 10 Jun 84

[Text] According to RENMIN RIBAO, the USSR has been secretly mining uranium ore in the mountains near Kabul.

According to the Western press, when uranium was discovered in the mountains north of Kabul in late October last year, local Afghans were promptly relocated. Sources say that the Soviets are also mining uranium in some areas of Qandahar Province.

I. 18 Jun 84

PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

D 1

SCIENCE, TECHNOLOGY PROTOCOL SIGNED WITH DPRK

OW151246 Beijing XINHUA in English 1234 GMT 15 Jun 84

[Text] Pyongyang, June 15 (XINHUA) -- The Chinese and Korean Governments signed here today a protocol on the 24th session of their scientific and technological cooperation commission. The protocol was signed by Dong Zhiyong, Chinese vice-minister of the Forestry Ministry and Kim Ung-ho, Korean vice-chairman of the State Scientific and Technological Commission.

Kim Kwan-sop, chairman of the Committee of Foreign Cultural Relations of Korea, and Chinese Ambassador Zong Kewen to Korea, attended the signing ceremony. The protocol stipulates that the two sides will conduct technological cooperation in the fields of machinery, chemical industry and agriculture.

Korean Vice-Premier Kim Hwan received and had a cordial talk with the Chinese Government delegation following the signing ceremony. The Chinese delegation arrived in Korea on June 1 and has visited Pyongyang and other places.

DPRK PROVINCIAL PARTY DELEGATION ARRIVES 16 JUN

OW161541 Beijing XINHUA in English 1509 GMT 16 Jun 84

[Text] Changchun, June 16 (XINHUA) -- A delegation from the Yanggang Provincial Committee of the Workers' Party of Korea were entertained by Qiang Xiaochu, first secretary of Jilin Provincial Committee of the Chinese Communist Party here this evening. The eight-member delegation, led by Choe Chang-Ho, secretary for propaganda, of the Yanggang provincial party committee, arrived here today. They were greeted at the railway station by Zhang Gensheng, secretary of the CPC Jilin provincial Committee. The delegation will visit Siping and Jilin cities.

HUANG HUA MEETS DPRK PUBLICATIONS DELEGATION

OW161140 Beijing XINHUA in English 1121 GMT 16 Jun 84

[Text] Beijing, June 16 (XINHUA) -- Huang Hua, vice-chairman of the Standing Committee of the National People's Congress, met here today with Choe Gwan-sik, deputy director of the Publications Guidance Bureau of the Democratic People's Republic of Korea, and a delegation led by him.

Present on the occasion also were Chen Xinren, advisor to the Chinese Ministry of Culture, and Sin In-ha, Korean ambassador to China. The Korean publication delegation arrived in Beijing on June 12 at the invitation of the Chinese Ministry of Culture. The delegation will also visit Xian, Guangzhou, Hangzhou and Shanghai.

JAPAN'S NAKASONE MEETS ZHU MUZHI 15 JUN

OW151658 Beijing XINHUA in English 1622 GMT 15 Jun 84

[Text] Tokyo, June 15 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone today received visiting Chinese Culture Minister Zhu Muzhi and his party.

I. 18 Jun 84

D 2

PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

During the meeting at the Japanese prime minister's official residence this afternoon, Nakasone stressed the significance of having friendly exchanges between the young people of the two countries. He said Japan and China had set up the Japan-China Committee for Friendship in the 21st Century which has started its work. Such a committee has been formed only between Japan and China which other countries admire very much, he added.

Nakasone said, "We, Japan and China, are now developing our relations in accordance with the four-point principles for living together in friendship. Hence, exchange of friendly visits by the youth of the two countries is very important." "Japan hopes that China will send more students to study in Japan," the prime minister added.

Zhu Muzhi conveyed to Nakasone the regards from Chinese leaders Hu Yaobang, Deng Xiaoping, Zhao Ziyang and Li Xiannian. Japanese Foreign Minister Shintaro Abe and Education Minister Yoshiro Mori also met with Zhu Muzhi today.

On June 12 and 13, Zhu Muzhi and his party toured Hokkaido and visited there a memorial hall on the opening up of Hokkaido Prefecture, a village, a grazing land and a milk products factory. Zhu Muzhi and his party also visited an arts museum, a pilot gardening center and other cultural installations in Miyagi on June 13 and 14.

WANG ZHEN MEETS VISITING JAPANESE GUESTS

OW151628 Beijing XINHUA in English 1440 GMT 15 Jun 84

[Text] Beijing, June 15 (XINHUA) -- Wang Zhen, member of the Political Bureau of the Chinese Communist Party Central Committee, met here this afternoon with a group of Japanese visitors headed by Yoshiaki Masaki, member of the Japanese House of Representatives. Wang Zhen is also honorary president of the China-Japan Friendship Association. The delegation are guests of the Chinese association.

SRV TO WITHDRAW PARTIALLY FROM KAMPUCHEA

10,000 Troops To Leave

OW151720 Beijing XINHUA in English 1655 GMT 15 Jun 84

[Vietnam Announces Partial Withdrawal of Troops From Kampuchea -- XINHUA headline]

[Text] Beijing, June 15 (XINHUA) -- The Vietnamese authorities announced today that it would withdraw about 10,000 troops from Kampuchea during the last 10 days of June, according to a foreign news agency report reaching here from Hanoi.

The report said that this was announced by a senior official of the Vietnamese Foreign Ministry named Phan Doan Nam at a press conference. He said that three brigades and regiments as well as a certain number of battalions in the north and northwest of Kampuchea would be withdrawn. AGENCE FRANCE-PRESSE quoted observers in Hanoi as saying that if Vietnam withdraws at the rate of 10,000 troops a year, it would take more than 15 years to complete the pullout of 150,000-170,000 troops stationed in Kampuchea.

Vietnam claimed to have had partial withdrawals of its troops from Kampuchea in July 1982 and May 1983. However, observers regarded the withdrawals as false.

AFP said that the issue of whether Vietnam is actually withdrawing or merely rotating its troops has lost much of its interest.

Kampuchean Commentary

OW162122 Beijing XINHUA in English 1149 GMT 16 Jun 84

[Text] Beijing, June 16 (XINHUA) -- Radio Democratic Kampuchea today said in a commentary that the partial pullout of Vietnamese troops from Kampuchea this year announced recently by Vietnamese foreign minister Nguyen Co Thach is an "old trick."

More than five years have passed since the Vietnamese invasion, the commentary said, with no sign of any Vietnamese troops being withdrawn from Kampuchea. On the contrary, Vietnam has now become more and more deeply involved in its Kampuchea campaign.

The promise of a "partial pullout" is aimed at deceiving world public opinion by giving the impression that Vietnam has won victory in Kampuchea and that it can now safely withdraw some of its troops without the Heng Samrin regime collapsing.

However, Vietnam continues to send troops to Kampuchea and is now stepping up conscription at home and in Kampuchea in order to replace the casualties it has lost on the battlefield. The Soviet Union, meanwhile, continues to supply Vietnam with weapons and ammunition. Vietnamese leaders Pham Van Dong and Van Tien Dung recently went in turn to the Soviet Union, seeking more aid from the Comecon countries. In short, despite the assertions to the contrary, all the evidence points to a Vietnamese buildup in Kampuchea.

Vietnam has suffered its worst defeats in Kampuchea this year, while the National Army of Democratic Kampuchea and Kampuchean guerrillas have increased in number and developed in quality. Resistance activities have spread throughout the country, from the border regions to the populous areas. Resistance forces have been able to launch attacks on the provincial capitals of Kompong Thom, Siem Reap, Rattambang, Pursat, Kompong Speu and Koh Kong. Will Vietnam withdraw its troops in the face of the opposition's new strength? Certainly not.

The commentary concludes that beyond the promised, but improbable, "partial pullout," what is called for is the complete withdrawal of Vietnamese troops from Kampuchea according to the relevant UN resolutions. The Kampuchean people must be allowed to decide their own destiny without any foreign interference. If Vietnam clings obstinately to its old policies and does not initiate a total withdrawal of its troops, it will find itself faced with an even more closely united Kampuchean resistance movement, invigorated with new resolve to force Vietnam's withdrawal from the country.

Thailand: 'Propaganda Ploy'

OW151750 Beijing XINHUA in English 1443 GMT 15 Jun 84

[Thai Top Security Official Refutes Vietnamese Announced Troop Withdrawal as Propaganda Ploy -- XINHUA headline]

[Text] Bangkok, June 15 (XINHUA) -- A highly-placed Thai official today promptly dismissed Vietnam's latest announcement of troop withdrawal from Kampuchea, made earlier today, as a yearly propaganda ploy it has been used since 1982.

Prasong Sunsiri, secretary general of the National Security Council of Thailand, was commenting on a report that Vietnam would bring into effect a 10-day withdrawal of about 10,000 troops from Kampuchea beginning June 21.

Referring to the present border dispute between Thailand and Laos, Prasong told local reporters that Thailand neither wanted to turn a small affair into a big problem, nor intended to use force to settle the issue. "The problem of the three villages is between Thailand and Laos. Thailand and Laos can be good friends if the Lao leaders do not come under the direction and instigation of others," he added. He said: "The Thai soldiers who have gone to three villages have the duty of protecting the Thai citizens there. The Laotians should not threaten to use force, which would be most inappropriate.

RENMIN RIBAO Commentary

AK170759 Beijing RENMIN RIBAO in Chinese 17 Jun 84 p 6

[Short Commentary: "The Same Old Stuff"]

[Text] The Vietnamese authorities have announced that they will withdraw about 10,000 troops from Kampuchea in the last 10 days of June. In order to make propaganda gains, Hanoi will also allow a number of foreign correspondents to observe the "troop withdrawal" in Phnom Penh. Following the heavy engagements in Kampuchea and on the Thai-Kampuchean border, with the arrival of the rainy season, Hanoi appears to be yet again adopting a peace-loving posture and waving a goose-feather fan.

The farce of "troop withdrawal" has already been staged twice, in the past two rainy seasons. When this happened in July 1982 and May 1983, international opinion held that it had not the slightest effect on the Vietnamese authorities' occupation of Kampuchea and was no more than a partial rotation of the Vietnamese troops involved in aggression against Kampuchea. Hence, when Hanoi announced the "partial withdrawal" on this occasion, the international community naturally expressed doubts. AFP said in its report on this news that "people are not really interested in this." The secretary general of the Thai National Security Council, Prasong Sunsiiri, hit the nail on the head when he pointed out that this was "a propaganda farce staged annually since 1982" by the Vietnamese authorities.

The UN General Assembly has on many occasions passed resolutions demanding the total withdrawal of Vietnamese troops from Kampuchea. The Vietnamese authorities have paid not the slightest attention and have actually used their so-called "partial withdrawal" as a counter. What is the meaning of this? It is aimed at telling the international community that by carrying out "partial withdrawal," they are refusing to withdraw. This year's "partial withdrawal" is in essence no more than that.

Nevertheless, the Vietnamese authorities' announcement of "partial withdrawal" this time is made precisely when they are stepping up their incursions on the Sino-Vietnamese border. Is this a move to transfer troops from Kampuchea to strengthen their military deployment on the Sino-Vietnamese border? This is something that merits attention.

YUNNAN RIBAO ON RECENT FIGHTING ON SRV BORDER

HK151217 Kunming YUNNAN RIBAO in Chinese 5 Jun 84 p 5

[Report by He Kaiyuan, Xiong Wenping and Lu Weifang: "The Tiger Company Displays Its Prowess Again Fighting in Laoshan"]

[Text] In the battle to hit back at the Vietnamese troops in Laoshan, the 5th company of a certain Yunnan border defense PLA unit, which during the revolutionary war years won the glorious title of "Hitting Like a Fierce Tiger and Standing Up to Any Attack as Firmly as Taishan," showed no less prowess than before. It took the lead and fought its way up to the main peak of Laoshan, killing 28 enemy troops and capturing a collection of No 82 recoilless guns, No 60 mortars, rifles, and ammunition.

The 5th company had, during the Huai-Hai campaign, gloriously won the column-awarded banner "Fighting Like a Fierce Tiger and Standing Up to Any Attack as Firmly as Taishan." On 28 April, at the start of the battle to strike back at the Vietnamese troops invading Laoshan, the commanders and fighters of this company descended on the enemy position like fierce tigers streaking downhill, as they threaded their way through man-high cogon grass and through thick forests. Han Yuekui, head of the 9th squad, led new fighter Ren Yonggui, carrying out successive demolitions with simple blasting devices, removing all obstacles at the first height ahead of the main peak of Laoshan and quickly clearing the way for others. At a shout of command from the commander, the 7th and 8th squads, charged with a shock mission, darted forth, carrying all before them and capturing the first height in a matter of 9 minutes. The opening, to the left of Laoshan, to the main peak was thrown open. On finding that the frontal height was lost, the Vietnamese troops at the second height and the main peak opened fire, sealing off the 5th company attacking in depth. A rain of bullets could not stop the advance of the heroic fighters. Led by Deputy Company Commander Zhang Daquan, the 2nd and 3d platoons never stopped charging forward. They quickly occupied the second height. On seeing that the 5th company was pressing close to the main peak, the enemy put up a mad struggle, concentrating fire on us. At this moment, Company Commander Qin Deyong, in a quick decision, threw the first platoon of a reserve force into a shock attack. Inspired by the brave and dogged fighting spirit of their fellow fighters of the 2nd and 3d platoons, the commanders and fighters of the 1st platoon bravely charged forward.

Platoon leader Le Weimin, leading a firing group, poured fire on the enemy in a barrage that left the enemy too scared to lift their heads. While charging forward with machine-gun in hand, Political Instructor Huang Guangwen shouted at the top of his voice: "Be revenged for those fellow fighters who have died!" He was a source of inspiration to the fighters of the whole company, who bravely charged forward, annihilating the enemy. Wounded in the leg, Deputy Company Commander Zhang Daquan still led the way, charging forward. Suddenly, a bullet penetrated his abdomen. Gritting his teeth, he wrapped his abdomen, which bled profusely, with a first-aid pad. He again picked up his machine-gun, directing a barrage of fire at the enemy and successively killing four diehard enemy soldiers. Seriously wounded, Han Yuekui, head of the 9th squad, still stuck it out, fighting until he lost his life. After more than an hour of fierce fighting by the commanders and fighters of the whole company, the 5th company triumphantly occupied the position of the main peak of Laoshan.

GUANGXI COUNTIES AWARD SRV BORDER FIGHTERS

HK160720 Beijing ZHONGGUO XINWEN SHE in Chinese 1257 GMT 15 Jun 84

["Napo and Jingxi Counties in Guangxi Hold Victory Meetings Respectively on 8 and 10 June To Celebrate Victory in Counterattacking the Vietnamese Forces" -- ZHONGGUO XINWEN SHE headline]

[Text] Nanning, 15 June (ZHONGGUO XINWEN SHE) -- On 8 and 10 June Napo and Jingxi Counties in the border area of Guangxi respectively held victory meetings to celebrate victory in countershelling the Vietnamese troops and to issue awards and certificates of merit to some 500 heroes and models who rendered meritorious service in the artillery actions in order to commend them for their contributions in guarding the frontier of the motherland and protecting the four modernizations program.

Napo and Jingxi are two counties in Guangxi's Baise Special Prefecture, which have a common boundary with Vietnam for some 360 kilometers. Since this spring the provocations and intrusions by the Vietnamese troops has been intensifying with each passing day. Driven beyond the limits of forbearance, our frontier guards and people living on the frontiers rose in counterattacking the intruders and thus won great victories.

In the artillery actions lasting for nearly 2 months this time, the broad masses of soldiers and civilians in Napo County remarkably accomplished various fighting tasks in such areas as striking blows at the enemy who had carried out provocations and organizing the masses to take precautions against shelling, to lay ambushes, to guard check-posts, to close the border, and to support the frontline.

PHILIPPINES' MARCOS ADDRESSES PRC TIES

OW150844 Beijing XINNUA in English 0835 GMT 15 Jun 84

[Text] Manila, June 15 (XINHUA) -- Philippine President Ferdinand Marcos expressed satisfaction today with the relations between the Philippines and China, saying he hoped they would further improve. Marcos made these remarks this morning when he received the outgoing Ambassador Mo Zanzhong in Malacanang. The president said he would like to see China again, as China is now quite different from when he last visited the country in 1975.

Marcos presented Ambassador Mo with the "Sikatuna" award-named after a 16th century Filipino hero in recognition of his efforts to develop the relations between the two countries. Also present on the occasion were Mrs Marcos, Acting Foreign Minister Manuel Collantes, diplomats of our countries, and officials of the Chinese Embassy.

ZHAO ZIYANG VISITS PAKISTAN OFFICIALS ON STOPOVER

Pledges Friendship

OW180815 Beijing Domestic Service in Mandarin 1000 GMT 17 Jun 84

[Excerpts] According to our station reporter from Nanning, State Council Premier Zhao Ziyang returned to Nanning, capital of the Guangxi Zhuang Autonomous Region, by special plane on the afternoon of 17 June after successfully concluding an official tour of France, Belgium, Sweden, Denmark, Norway, Italy and the European Community.

When Premier Zhao and his party made a brief stopover in Karachi, they were greeted by Lt Gen Jahan Dad Khan, governor of Sind Province, other Pakistani officials as well as Chinese Ambassador to Pakistan Wang Chuanbin and Chinese Consul General in Karachi Wang Miosan. In an interview with the Pakistan television station at Karachi Airport, Premier Zhao said: Chinese-Pakistani friendship is established on the basis of mutual trust and can withstand tests. Premier Zhao pointed out: No matter what happens in the world or what storms the world will face, China will forever stand on the side of the Pakistani people.

Hits Soviet 'Intervention'

OW171316 Hong Kong AFP in English 1204 GMT 17 Jun 84

[Text] Karachi, June 17 (AFP) -- Chinese Premier Minister Zhao Ziyang today reiterated China's demand for total withdrawal of Soviet occupation troops from Afghanistan.

During a brief stopover at Karachi Airport on his way back home after a six-nation West European tour, Mr Zhao told Pakistan television that total withdrawal of Soviet troops from Afghanistan was the only solution to the Afghan problem. He had found identical views on the issue during this recent talks with the West European leaders, he said, adding that China would continue its "moral and material support of the Afghan people" in their struggle against the Soviet intervention.

On Sino-Pakistani relations, he said: "We have established a relationship of mutual trust. No matter what happens, China will always stand on the side of Pakistan and support its just cause."

AFGHAN RESISTANCE LEADER ON SOVIET OFFENSIVE

OW161852 Beijing XINHUA in English 1831 GMT 16 Jun 84

[Text] Islamabad, June 16 (XINHUA) -- Soviet occupation forces in Afghanistan recently launched a massive offensive against the mujahedin in and around the city of Herat, provincial capital of Herat Province following the latest offensive in the strategic Panjsher Valley. This was disclosed by Burhanuddin Rabbani, leader of the Afghan Islamic Society at a press conference in Peshawar today.

Herat Province is in the western part of Afghanistan bordering on the Soviet Union and Iran. The mujahedin there, who have been very active, even in the provincial capital, since the Soviet invasion of the country, now stand as many as 15,000. The current Soviet offensive, which started on June 6, involves some 15,000 Soviet and Karmal troops and a large number of tanks, armoured cars, jet bombers and helicopters. Their heavy bombardment has left more than 1,000 Afghan people dead and many houses razed to the ground. About 50 mujahedin have been killed.

But in the western part of the city, the mojahedins in a three-day resistance destroyed 25 Soviet tanks, shot down one jet bomber and killed 135 Soviet and Karmal troops. In the eastern part of the city, the mojahedin leader said, fighting was still going on. Asked about the latest situation in the Panjsher Valley, Rabbani said that the Soviet troops could not have a complete control over the valley where fighting was still going on.

Rabbani appealed to the different groups of mojahedin in Afghanistan to close their ranks and coordinate with one another in dealing more effective attacks on the Soviet occupation troops and strive for final victory.

AFGHAN RESISTANCE REPORTS 6 SOVIET PLANES DOWNED

OW161902 Beijing XINHUA in English 1836 GMT 16 Jun 84

[Text] Islamabad, June 16 (XINHUA) -- The Afghan mojahedin downed six Soviet planes and destroyed 24 tanks in the southeastern province of Paktia during the past one and half months, a senior member of the Afghan Islamic Unity of Mojahedin told a press conference in Peshawar this afternoon.

Ahmad Shah, finance secretary of the Afghan resistance organization, said that the Afghan guerrillas presently led by Ab ar-Rasul Sayyaf, president of the Afghan Islamic Unity of Mojahedin have since May 4 besieged a major Soviet-Karmal cantonment with 300 Soviet and 700 Karmal troops stationed in the strategic Zazi area, eastern part of Paktia Province. The Soviet-Karmal forces centered in Narai area failed in their attempts to break the siege and lost 24 tanks. Moreover, about 150 Karmal soldiers defected to the side of the mojahedin, he said. An officer of the Karmal intelligence department was captured.

Soviet aircraft were also involved in extensive bombing, trying to break the siege of the cantonment and six of them were shot down by the mojahedin. As a result of the bombardment by the Soviet planes, dozens of Afghan civilians were also killed and injured. A video tape was shown at the press conference, giving true pictures of the mojahedin shooting the enemy planes as well as the wreckage of destroyed Soviet tanks.

ZHAO ZIYANG VISIT, STATEMENTS IN MILAN REPORTED

Meeting With Businessmen

OWL61356 Beijing XINHUA in English 1339 GMT 16 Jun 84

[Text] Milan, Italy, June 16 (XINHUA) -- Chinese Premier Zhao Ziyang met with more than 200 entrepreneurs and businessmen this morning in the city of Milan, the largest industrial, commercial and financial center of Italy.

The Chinese premier, who is on a visit to Italy, the final leg of his current West European tour, came here after a visit to the city of Venice.

President of the Chamber of Commerce of Milan Piero Bassetti said in his welcoming speech that Premier Zhao's visit to Milan is of great importance. He noted that the economic exchanges between the city and China have developed rapidly and there exist great potentialities for such exchanges. He suggested that the two sides deepen their mutual understanding and promote technology interflow in particular in order to achieve a balanced growth in trade relations and economic and technological cooperation between the two countries.

Representatives from industrial and commercial circles and trade unions spoke one after another and all expressed the hope for increased trade and economic and technological cooperation with China.

In his speech at the meeting, Premier Zhao pointed to the great development in economic and trade relations between China and the city of Milan and between China and Italy as a whole. There are great potentialities to be tapped in developing such relations, he added. Speaking on China's economic growth and its policy of opening to the outside world, Premier Zhao said China pins great hopes on its cooperation with Italy. He said China is interested in Italy's advanced technology and equipment and the Chinese people are willing to learn from and draw on the experience of Italy's management. The Chinese premier said there are no insurmountable obstacles to the promotion of economic cooperation between China and Italy. "The pace of our cooperation can be quickened if only we deepen mutual understanding and make full use of various favorable conditions and take effective measures," he noted.

Premier Zhao said it is only a temporary thing that China has a favorable balance of trade with Italy. It can be said definitely that China will have an unfavorable balance in its trade with Italy for a long time because of the different stages of economic development and different economic structures of the two countries. The Chinese premier hoped that Italian entrepreneurs set about studying the possibilities and ways of letting more Chinese goods get into the Italian market to improve China's ability of payments. By so doing, the trade between the two countries could be increased steadily and there would be broad prospects for the opening of a new "Silk Road", he said. Premier Zhao welcomed Italian entrepreneurs to visit China to discuss trade and cooperation. Premier Zhao's speech was warmly applauded by the businessmen present.

Press Conference

OW161312 Beijing XINHUA in English 1259 GMT 16 Jun 84

[Text] Milan, Italy, June 16 (XINHUA) -- Chinese Premier Zhao Ziyang told a press conference here today that he had accomplished the objectives of his West European tour as expected and the visit was a complete success.

He said he came to Western Europe with the desire to strengthen friendly cooperation, expand economic exchanges and promote world peace. He was glad to see that these aspirations were shared by the West European governments and peoples.

He also said that his talks with Italian Government leaders and his meetings with people from various circles of the country had increased his confidence in a lasting and stable development of the friendly and cooperative relations between China and Italy.

Answering a question on the possible increase of trade between Western Europe and China, the premier said that China wishes to see a marked increase in the economic and technological cooperation and trade and bring it to a level as both sides desired and then stabilize it. "I am full of confidence in this possibility," he said.

The Chinese leader also reaffirmed that friendly cooperation between a united and strong Europe taking the destiny into its own hands and a China following an independent policy is a very important factor for maintaining world peace and stability and restraining the rivalry between the two superpowers.

In response to a question about the Sino-British talks on the Hong Kong issue, Premier Zhao Ziyang said that important progress had been made in the talks and it seemed possible that the two sides would reach agreement on it in September this year. "I'm fully confident that Hong Kong's prosperity and stability will be maintained after China resumes its exercise of sovereignty over Hong Kong in 1997," Premier Zhao said.

On China's relations with other Third World countries, Premier Zhao said that China has all along stood for strengthening the South-South cooperation. During his African trip last year, he continued, he advanced four principles for strengthening China's economic relations with African and other Third World countries. China, though itself a developing country, has in the past extended a lot of aid to other development countries and it will continue to do so according to its ability, he said. The premier also answered questions about China's economic reforms and other domestic matters.

He is leaving here for home this afternoon to wind up his cross-Europe tour, which has taken him to France, Belgium, the European Community, Sweden, Denmark, Norway and Italy.

16 Jun Departure

OW161749 Beijing XINHUA in English 1730 GMT 16 Jun 84

[Text] Milan, Italy, June 16 (XINHUA) -- Chinese Premier Zhao Ziyang left here for home late this afternoon after winding up an 18-day, six-nation West European tour which he said was a "complete success."

During his visit, the Chinese premier was given a very warm and hospitable reception by leaders and peoples in France, Belgium, Sweden, Denmark, Norway and Italy.

Seeing the Chinese premier off at the airport this afternoon were Italian Minister Without Portfolio for European Community Coordination Policies Francesco Forte and senior officials in the city of Milan. Chinese Ambassador to Italy Ling Zhong and representatives from the Overseas Chinese community in Italy were also present at the airport.

In a written statement issued at the airport, Premier Zhao said he had accomplished the objectives of his West European tour and the visit was a complete success. He also said his talks with the leaders of the six countries and the European Community have shown that both sides have a broad agreement of views on a series of major international issues and are deeply concerned over the turbulent world situation. "We are all ready to intensify our consultations on world affairs and are determined to make our respective efforts for the relaxation of tension, and end to arms race, nuclear arms race in particular, and the preservation of world peace," said the premier.

He expressed the conviction that "so long as the peace-loving peoples throughout the world work together, world peace can be maintained and the future of mankind is bright."

On China's relations with Western Europe, he said "Both China and Western Europe have a strong desire to further develop their bilateral relations and strengthen their friendly cooperation. I am convinced that economic and technological cooperation between China and Western Europe on the basis of equality and mutual benefit is full of vitality and has a broad vista for development and will yield fruitful results. The Chinese Government will resolutely pursue the policy of opening to the outside world and further improve the related legislation so as to promote a steady and sustained development of external economic cooperation."

The premier's entourage including State Councillor and Minister in charge of the State Economic Commission Zhang Jingfu, Deputy Secretary-General of the State Council Chen Chu, Vice Foreign Minister Qian Qichen, Vice-Minister of Foreign Economic Relations and Trade Jia Shi and Vice-Minister of Public Security Tao Siju also left aboard the same plane.

ZHAO ZIYANG RETURNS FOLLOWING EUROPE TRIP

OW171014 Beijing XINHUA in English 0947 GMT 17 Jun 84

[Text] Nanning, June 17 (XINHUA) -- Chinese Premier Zhao Ziyang arrived here this afternoon after concluding an official visit to France, Belgium, the European Communities, Sweden, Denmark, Norway and Italy. Nanning is the capital city of the Guangxi Zhuang Autonomous Region.

Those accompanying Premier Zhao on the six-nation West European tour came back on the same plane.

They were Zhang Jingfu, state councillor and minister in charge of the State Economic Commission, Chen Chu, deputy secretary-general of the State Council, Qian Qichen, vice minister of foreign affairs, Jia Shi, vice minister of foreign economic relations and trade, and Tao Siju, vice minister of public security. Premier Zhao and his party were greeted at the airport by local party, government and Army officials including Qiao Xiaoguang, Wei Chunsu, Huang Yun, Huang Rong, Qin Yingji, Chen Huiguang and Lu Yujuan. Young Pioneers presented bouquets to Zhao Ziyang and Zhang Jingfu when they stepped down the plane.

When Premier Zhao and his party made a brief stopover at Karachi, they were greeted by Jahan Dad Kha, governor of Sind Province and other Pakistan officials as well as Chinese Ambassador to Pakistan Wang Chuanbin and Chinese Consul General in Karachi Wang Maosan.

Visit 'Complete Success'

OW171408 Beijing XINHUA in English 1340 GMT 17 Jun 84

[Text] Nanning, June 17 (XINHUA) -- Premier Zhao Ziyang said today that his 18-day official visit to Western Europe has achieved the desired results and is a complete success. Zhao returned here today from Milan, Italy, at the end of his official visits to France, Belgium, the European Community, Sweden, Denmark, Norway and Italy beginning May 30. During his stay in Rome, he attended the funeral service for Italian Communist Party General Secretary Enrico Berlinguer on behalf of the Central Committee of the Communist Party of China. Premier Zhao was speaking to reporters who accompanied him on the visit aboard his special plane on his way home from Milan. Following is the full text of the interview:

Question: Premier, your visit to Western Europe has drawn much attention both at home and abroad. Now that the visit has concluded, would you please comment on the visit?

Answer: I went to visit Western Europe with the desire to seek friendship, cooperation and peace. I am very pleased that political figures both in and out of the governments and people from various circles in these countries and leaders of the European Community also show concern in this regard. In these three aspects, the peoples of China and Western Europe have the same desire and their goal is identical. This common desire has made my visit achieve the desired results and a complete success.

Question: What are the major impressions the visit has left on you?

Answer: I have three outstanding impressions: First, China and West European countries share identical or similar views on many major international issues, second, both sides have the desire to further develop friendly relations and economic and technological cooperation; third, the people of Western Europe cherish sincere, friendly sentiments towards the Chinese people. Everywhere we went, in France and Belgium, in the three Scandinavian countries and Italy, we were accorded warm welcome and ceremonious hospitality. The good relations between China and Western Europe, I believe, will develop firmly and durably.

Question: At present, world opinion as a whole is deeply concerned over the situation in Europe. Do you have any comments on this?

Answer: As far as the European situation is concerned, I want to emphasize two points: First, there exists a really grave situation in Europe. In that region, there are direct confrontations between the two superpowers for world hegemony. After the suspension of the Soviet-U.S. negotiations on medium-range nuclear missiles, the nuclear arms race between them has been escalated, and the situation in Europe, as a result, has become even more tense. Second, the European people strongly stand for peace and oppose war. Peace or war, detente or tension, disarmament or arms expansion, this is the center of attention of public opinion. In Europe, I demonstrated the concern of the Chinese people over the situation in Europe and expounded the position of the Chinese Government on easing the tense international situation. We hold that the independence and sovereignty of various countries in Europe should be respected and their security should be safeguarded. We appreciate the efforts made for this purpose by West European countries in promoting their unity. We support the easing of relations between East European and West European countries. We also hope to see that relations between the Soviet Union and the United States can be relaxed. We advocate that regardless of their differences in social system, all countries in the world, big or small, rich or poor, strong or weak, should strictly abide by the five principles of peaceful coexistence. Tensions can be eased and world peace be safeguarded as long as the peoples of the world strengthen their unity and make concerted efforts.

Question: On the problem of nuclear disarmament, leaders of some countries have put forward a number of proposals, how do you think about this problem?

Answer: The Chinese Government and people love peace and sincerely hope for the realization of disarmament. They always stand for complete prohibition and thorough destruction of nuclear weapons. All proposals which will really help realize nuclear disarmament and eliminate the threat of nuclear war are supported by us. The reality is that the two superpowers are possessing 95 percent of all nuclear weapons in the world and are contending fiercely for nuclear superiority in Europe and the world as a whole. Therefore, they should assume primary and special responsibilities for the realization of nuclear disarmament. At present, the most important and foremost issue is to urge the United States and the Soviet Union to stop the deployment of new nuclear weapons in Europe and other regions and to resume their negotiations so as to reach an agreement on the reduction of nuclear weapons. Of course, this agreement should not be allowed to impair the interests of other countries.

Question: How do you think about the prospects of the economic and technological cooperation between China and Western Europe?

Answer: China is the biggest developing country and Western Europe is a region with most of the developed countries in the world. The economies of both China and Western Europe have their own characteristics and strong points. The economic structures of the two sides are not incompatible with each other. They can be mutually complementary.

Both China and Western Europe can benefit from each other's strong points to offset their weaknesses in the interests of both and can become good partners in economic and technological cooperation. With the continued development of China's economic construction and the further implementation of its policy of opening to the outside world, and through common efforts by both sides the economic and technological cooperation between China and Western Europe has broad prospects and much can be achieved there.

Question: In your opinion, what are the areas in which China and Europe should exert their efforts in order to develop their economic and technological cooperation?

Answer: Closer economic and technological cooperation between China and Western Europe requires both sides to increase mutual understanding and mutual accommodation. Some friends from Western Europe like very much to do business with China. However, they do not know exactly what China really needs and what it can offer. I told them that China wants to cooperate with foreign countries not only in major construction projects such as energy, transportation and telecommunications, but also in the side-ranging technical transformation of its existing enterprises which involve enormous work. We are not only willing to expand commodity trade with foreign countries, we also attach great importance to importing advanced technology and making use of foreign funds. I am convinced that friends from Western Europe will cooperate with us better after they have a better understanding of what China really wants. It has not been long since we began to pursue a policy opening to the outside world and some of our work is still lagging behind for the time being, and now we are seeking to improve it. Of course, business is business. It is our hope that Western European countries and their business circles will become more competitive in terms of prices, quality of products, supply of loans and service and particularly in technological transfer. Meanwhile, we also hope that they may offer convenience for the entry of China's goods into Western European markets.

Question: It has been suggested in the Western press for some time that Europe is on the decline. Have you any comments on this?

Answer: At present, a lot of European countries have met with economic difficulties and are facing a new challenge. But I am of the opinion that Europe still keeps its vitality. It has its own characteristics and strong points and is leading in a number of fields. To further develop their economy, Western European countries will have to work hard and promote their union and construction, and also to strengthen cooperation with Third World countries in Asia, Africa and Latin America on the basis of equality and mutual benefit.

China's cooperation with Western European countries falls in this category. Western European people appreciate the independent and peaceful foreign policies of our country, welcome our policy of opening to the outside world and entertain expectations of our modernization program. They hold that a powerful China is an important factor in the maintenance of peace and stability in the world. Good relations exist between China and Western European countries. We hope that his relationship may advance to a new level in the future politically, economically and otherwise.

RENMIN RIBAO Editorial

HK180308 Beijing RENMIN RIBAO in Chinese 18 Jun 84 p 1

[Editorial: "New Chapter in Friendship and Cooperation Between China and Western Europe -- Warmly Hailing the Complete Success of Premier Zhao Ziyang's Visit to Western Europe"]

[Text] The friendly visit of Chinese Premier Zhao Ziyang to six West European countries and the European Community has now ended. This visit realized its redicted goals of strengthening friendship and cooperation, developing economic exchanges, and promoting world peace. It has opened a new chapter in creating a new situation in friendship and cooperation between China and Western Europe, and is bound to have a far-reaching effect on stimulating the building of a long-term and stable relationship of friendship and cooperation between China and Western Europe and on preserving world peace.

China and Western Europe have long had excellent political relations. There is no conflict of interest between us, nor is there any major problem unresolved. We have common aspirations for preserving world peace and developing friendship and cooperation. This is the political foundation for the development of a relationship of friendship and cooperation between China and Western Europe. In recent years, along with the changes in the international situation and China's large-scale effort to build the four modernizations, together with its instituting a policy of opening up to the world, we have attached still greater importance on cooperation with Western Europe. This visit of Premier Zhao to Europe was for the purpose of exploring new ways and forms of strengthening cooperation so as to benefit the peoples of China and Western Europe.

During his visit to Western Europe, Premier Zhao made two important speeches, in Paris and Brussels, which respectively gave a systematic exposition on China's foreign policy of acting independently and maintaining the initiative in her own hands and of peace, and of China's economic policy of opening up to the world. These speeches increased West European understanding of China. He held many talks with the leaders of the countries he visited and of the European Community, and had extensive contacts with people in the economic field, which explored prospects for bilateral economic and technological cooperation. Through his visit, he personally saw the strong aspirations of the peoples of Western Europe for peace and their active efforts in developing science and technology. Everywhere he went he received a warm and ceremonious welcome from the governments and people. He fully experienced the sincere affections of the peoples of Western Europe for China.

Premier Zhao's visit to Western Europe was made at a time of fierce turmoil in the situation there. The arms race centered on medium-range missiles between the two superpowers -- the United States and the Soviet Union -- threatens European security and world peace and stability. The Chinese Government and people are profoundly concerned with the situation in Europe and hope to see some easing there; they hope that the two superpowers -- the United States and the Soviet Union -- will be able to exercise some restraint and sit down for serious negotiations. During his visit Premier Zhao expounded on China's proposals on disarmament, on easing international tensions, and on preserving worlds peace. He had a wide-ranging exchange of views with the leaders of Western Europe and gained the understanding and support of the countries of Western Europe for China's stand. The two sides reached identical or nearly identical views. This will certainly have a major impact on stabilizing the world situation and on creating an excellent international environment for bilateral economic development. Hence Premier Zhao's visit to Western Europe was given universal attention by world opinion.

Expanding bilateral economic and technological cooperation and raising bilateral trade to a new level was an important content of this friendly visit. Premier Zhao pointed out on many occasions that both sides have their superior features, and there are great potentials and broad prospects.

Western Europe is the most intensive zone of developed countries and possesses relatively advanced technology and abundant capital; China is the largest developing country, with rich resources and extensive markets and its own superior economic features. The differences in economic structure between the two sides determine that instead of being rivals in the economic field, China and Western Europe can complement each other. The two sides are fully capable of learning from each other's strong points to offset their own weaknesses, developing together, benefitting each other, and becoming excellent partners in economic and technological cooperation. China recently decided to further implement the policy of opening up to the world, thus providing a still better field for long-term bilateral economic cooperation. Premier Zhao stated many times during his visit that he hoped that friends in Western Europe would come to invest in China and carry out various forms of economic and technological cooperation. Premier Zhao's remarks received a warm welcome and a high degree of attention in West European business circles. It can be predicted that economic and technological cooperation between China and Western Europe will develop by leaps and bounds following this visit of Premier Zhao.

It should be realized that the current level of economic and technological cooperation between China and Western Europe, and especially the level of trade, is not as good as it should be. This requires patient and careful efforts by both sides. As far as we are concerned, we need to further strengthen economic legislation, simplify procedures, improve work efficiency, and overcome bureaucratism. As far as the countries of Western Europe are concerned, they need to further improve the competitiveness of their products, and also create favorable conditions for the entry of Chinese products into Western Europe, thereby improving China's ability to pay and paving the way for gradually expanding economic cooperation in the future. We also hope that our friends in Western European business circles will be able to view cooperation with us from a long-term viewpoint. Through the process of increasing understanding and gradually meeting each other's needs, it is possible to raise bilateral trade to a level regarded as satisfactory by both sides, and to stabilize it at that level.

A prosperous and strong China and a Western Europe united in cooperation accord with the interests of their peoples and also constitute the requirement of preserving world peace. Viewing the prospects, one feels very encouraged.

YAO YILIN MEETS DANISH MINISTER OF TAXATION

OW171633 Beijing XINHUA in English 1610 GMT 17 Jun 84

[Text] Beijing, June 17 (XINHUA) -- Chinese Vice Premier Yao Yilin today said he hopes that China and Denmark will have exchanges in the area of taxation.

Speaking at a meeting with Isi Foighel, Danish minister of taxation, here this afternoon, he said China is introducing taxation reforms to use tax payments to replace profit delivery and formulating taxation systems, so as to promote its economic growth.

Minister Foighel said the economic cooperation and trade between Denmark and China have been developed very fast. To avoid dual taxation, he said, Denmark hopes to cooperate with China.

Yao said China is looking forward to conferring with Denmark on issues of avoiding dual taxation. This will be beneficial to both countries, he added.

After the meeting Wang Bingqian, state councillor and minister of finance, gave a dinner for the Danish minister and his party. Vice-Premier Yao was present.

WAN LI MEETS RWANDAN INTERIOR MINISTER

OW151428 Beijing XINHUA in English 1237 GMT 15 Jun 84

[Text] Beijing, June 15 (XINHUA) -- Acting Premier Wan Li met with Thomas Habanabakize, minister of internal affairs and community development of Rwanda, and his party here this afternoon.

Wan Li said the relations between China and Rwanda were those of two Third World countries. He reaffirmed that the fundamental point of China's foreign policy was to strengthen cooperation with Third World countries. "Our two countries are both economically backward. We should help and learn from each other and enhance our economic and technical cooperation in a variety of ways," he added.

Wan Li wished Rwanda prosperity under the leadership of President Juvenal Habyarimana.

Habanabakize said that he had achieved positive results on this second visit to China which he described as "very satisfactory."

He said Rwanda and China had established a relationship of mutual help. He thanked China for its assistance to Rwanda in building highways and cultivating rice. Habanabakize and his party are due to leave here for home later this evening.

WU XUEQIAN RECEIVES ANGOLAN GOVERNMENT GROUP

OW151801 Beijing XINHUA in English 1607 GMT 15 Jun 84

[Text] Beijing, June 15 (XINHUA) -- China will, as always, side with Africa and support the Angolan people and other African people in their liberation and struggle for national independence and economy.

Wu Xueqian, state councillor and foreign minister said this at a meeting with Ismael Gaspar Martins, Angolan foreign trade minister, at the state guesthouse here this evening. Host and guest hoped that relations between China and Angola would grow.

Minister Martins handed Wu Xueqian a letter from Angolan Foreign Minister Paulo Jorge, whom Wu invited to visit China.

Wu Xueqian praised Angolan independent pursuit of national construction while Martins looked forward to economic and technical cooperation in various fields. Wu Xueqian then gave a banquet for the Angolan Government delegation led by Minister Martins.

This afternoon Vice-Foreign Minister Gong Dafei conferred with his Angolan counterpart Venancio da Silva Moura on bilateral relations, the situation in southern Africa and other international issues.

U.S., ISRAELI POLICIES IN MIDEAST CRITICIZED

HK160735 Beijing RENMIN RIBAO in Chinese 16 Jun 84 p 6

["Short" commentary: "New Effort for Peace in the Middle East"]

[Text] UN Secretary General Perez de Cuellar recently visited Egypt, Syria, Lebanon, Jordan, and Israel for talks with these countries concerning an international conference, to be held under the auspices of the UN Security Council, to solve the Middle East problem. These visits sought the support of the parties concerned in the region for holding such a conference. De Cuellar's Middle East journey showed yet again the earnest concern of the international community for solving the Middle East problem. This new effort for peace in the Middle East met with agreement and response from many Arab countries, but was blocked by Israel and the United States.

The Middle East has consistently been a world hot spot for several decades. This has all been caused by the policy of aggression and expansion pursued by Israel, with U.S. support, against Palestine and the Arab countries. The tension in the Middle East seriously threatens peace, stability, and security in the region and indeed in the whole world. The Arab League and a number of Arab countries have put forward plans for achieving peace in the Middle East. Various other countries in the world on many occasions have also put forward methods and suggestions for solving the Middle East problem. At the end of last year the UN General Assembly decided to convene an international conference on the Middle East problem, with the emphasis on solving the Palestinian problem and the Israeli-Arab conflict. This is both the common aspiration of the peoples of all countries in the Middle East and also the unanimous demand of peace-loving countries and people throughout the world.

Israel, however, took the attitude of opposing an international conference for solving the Middle East problem. The Israeli authorities are still attempting to split the Arab countries by holding so-called "talks with them alone." The United States remains partial to Israel, and as a result the so-called Reagan plan has been rejected by the majority of Arab countries. This shows that Israel and the United States have no intention of easing Middle East tensions and are attempting to gain private benefit from this situation. The Israeli authorities recently even threatened that "if necessary, Israel will intervene in the Iran-Iraq war," fully demonstrating their swollen arrogance and wild ambitions. From this it is evident that the Israeli authorities' opposition to holding an international conference on the Middle East problem fully stems from the policies of aggression and expansion that they uphold.

Judging by De Cuellar's Middle East journey, it is difficult for the time being to convene an international conference for peacefully solving the Middle East problem. However this problem can only and must be solved peacefully. This is determined by the interrelationships and constraints of various current international political and economic factors, and the resistance and obstruction put up by Israel and the United States can only be stubborn without being successful. So long as the peoples of the Middle East and the peace-loving peoples throughout the world persistently wage struggle, peace can be attained in the Middle East.

COMMENTARY URGES END TO IRAN-IRAQ WAR

HK180828 Beijing RENMIN RIBAO in Chinese 18 Jun 84 p 6

["Short" commentary: "A Positive Step"]

[Text] In response to an appeal by UN Secretary General Perez de Cuellar, Iran and Iraq have suspended attacks on each other's cities and civilian areas from 12 June. This is a positive step in the Iran-Iraq war, which has been escalating for nearly 4 years.

The protracted war between Iran and Iraq has brought about formidable losses to both peoples. It has killed nearly 200,000 people on both sides, destroyed hundreds of billions dollars' worth of property, severely damaged the developing economies of the two countries, and made more than a million people homeless.... It is really an exciting development for both Iran and Iraq to reach an agreement on stopping attacks on each other's cities and civilian areas as a step toward minimizing the people's sufferings.

Of course, one cannot ignore the fact that the war between Iran and Iraq is still going on and the tense situation continues to threaten the Gulf region. And one cannot underestimate either the possibility of a further escalation of the war, particularly since the Iranian and Iraqi leaders still have been carrying on war mobilizations in their own countries until recently. If the war is further extended to the entire Gulf region, the region will likely be faced with an intervention by the superpowers. This would be a serious threat to peace in the Middle East and the world.

We sincerely hope that Iran and Iraq, which have agreed to stop attacks on each other's cities and civilian areas, will take a further step, accept international mediation, settle their conflicts through peaceful negotiations, and thus put an end to this disastrous war as soon as possible.

LIAOWANG VIEWS ORIGINS OF OPEN-DOOR POLICY

HK150900 Guangzhou NANFANG RIBAO in Chinese 11 Jun 84 p 2

[XINHUA dispatch from Beijing: "The Birth of an Important Decision -- A New Step in Opening the Country to the World"]

[Text] Beijing, 10 Jun (XINHUA) -- LIAOWANG No 24, published on 11 June, carries an article entitled "The Birth of an Important Decision" and subtitled "A New Step in Opening the Country to the World" in the column "Recent Events in Zhongnanhai." The author is Zeng Jianhui. Following are the excerpts from the article:

The Strategic Decision Made by the Political Bureau

In April, Beijing presents a sunlit and enchanting scene of spring. In Zhongnanhai the willows along the embankment are green and the flowers are in full bloom. At 1430 on the afternoon of 30 April, several cars drove into the west gate of Zhongnanhai and stopped at the red gate of Huai ren Hall. Today the Political Bureau of the CPC Central Committee will hold a meeting in the conference room of Huai ren Hall and an important decision related to China's modernization program will soon come into being. Huai ren Hall is the place where the Political Bureau of the CPC Central Committee holds its meetings. Since the 3d Plenary Session of the 11th CPC Central Committee, this is where our party and state have discussed and made decisions of great and strategic significance.

Comrades Hu Yaobang and Zhao Ziyang will preside over today's Political Bureau meeting. The main topic of discussion is how to do a further successful job of opening the country to the outside world. The meeting will stress discussing the problems of accelerating the pace, appropriately utilizing foreign capital, and importing advanced foreign technologies. Concretely speaking, the meeting will make a final decision on the proposal presented by the Secretariat of the CPC Central Committee and the State Council at a recent forum of some coastal cities concerning the opening of 14 coastal cities to the outside world.

In order to draw upon all useful opinions, the Political Bureau invited the leading comrades of the Secretariat of the CPC Central Committee, the State Council, the Central Advisory Commission, and other organs to attend the meeting as visitors. After heated discussions, the meeting unanimously adopted the minutes of the forum and decided to further run well the four existing special economic zones (including delimiting the whole of Xiamen Island as a special economic zone), to further open to the world the 14 coastal cities including Dalian, Qinhuangdao, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang, and Beihai and Hainan; to implement in these cities certain policies for special economic zones; and to enhance their vitality in carrying out foreign economic activities. This is a major step taken by China in opening the door to the world after initiating the special economic zone in Shenzhen 5 years ago. These coastal cities and the provinces and autonomous regions where they are located are the developed areas in the economy, technology, and culture in China. The total output value of industry and agriculture, the output of industry, the national income, and revenue in these areas account for half of the entire country. The scientific and technological force, foreign trade, and the economic results of enterprises in these areas are also higher than the average national level. Together with Hainan and the four special economic zones including Shenzhen, these coastal cities form, from north to south, China's frontier zone which is opened to the world. The acceleration of the economic development of this zone will bring along and promote the economic development of the entire country. This was the strategic idea taken into account again and again by the central authorities for a long time. Now, it is being realized in a step by step manner.

The Strategic Position of the Open-Door Policy

Prior to the 3d Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping pointed out that foreign economic work is a strategic matter related to China's modernization program. At the 3d Plenary Session of the 11th CPC Central Committee held in December 1978, the major and strategic principle of opening to the outside world and enlivening the domestic economy was established in light of Comrade Deng Xiaoping's proposal.

After the 3d Plenary Session of the 11th CPC Central Committee, the Secretariat of the CPC Central Committee deliberated the matter over and over again and unanimously approved the guiding ideology expounded by Comrade Hu Yaobang: In carrying out China's socialist modernization program, it is necessary to make use of national resources as well as foreign resources; it is necessary to open the domestic markets and also the international markets; and it is necessary to learn the know-how of organizing domestic economic construction and developing foreign economic relations. This clearly defined the strategic position of the open-door policy.

At a meeting held by the Secretariat of the CPC Central Committee in January 1982, Comrade Hu Yaobang again systematically expounded the relations between the open-door policy and self-reliance. He pointed out: The modernization program of a big country like ours with a population of 1 billion should and can only be based on its own strength. However, we must never be constrained by the narrow circles, as we were in the past, and must never distort the notion of self-reliance as closing the country to international intercourse and making efforts in isolation. On the basis of self-reliance, we must widen our field of vision from China to the world. Apart from arousing all of the positive factors which can be aroused within the country, we must also make an all-out effort to use all of the positive factors from other countries which can serve us and must learn from the strong points of others to offset our weaknesses. He further pointed out: Marx and Engels said a century ago that with the world market of the bourgeoisie taking shape, intercourse in every direction and universal independence of nations have replaced the old local and national seclusion and self-sufficiency. Under modern conditions, the problem of the economy should not be regarded as a phenomenon of one single country, but should be observed while viewing international relations.

It is precisely on the basis of such a theory and practice that the CPC Central Committee has established China's open-door policy. The leading comrades of the central authorities have said on many occasions that in developing foreign economic relations, China is aiming not merely at solving the current problems of technological backwardness and a shortage of construction funds. Even if China becomes a strong economic power in the future, its economic contacts and technological exchanges with other countries will still be important conditions for the sustained and high speed development of China's economy. Therefore, the open-door policy is one of China's long-term national policies.

The Origin of the Special Economic Zones

In the 5 years or more since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee and the State Council have adopted a series of effective and important measures for actively utilizing foreign capital, importing advanced technologies, expanding import and export trade, and other external economic activities. The establishment of the special economic zones is one of the important measures.

The initiation of the special economic zones was proposed by Comrade Deng Xiaoping and decided upon by the CPC Central Committee and the NPC Standing Committee. When Xi Zhongxun and Yang Shangkun, the chief responsible comrades of the Guangdong Provincial CPC Committee, were talking about exerting Guangdong's superiority at the central work conference held in April 1979, Comrade Deng Xiaoping raised the issue of initiating special zones.

He said: We can delimit an area called a special zone. Was Shaanxi-Gansu-Ningxia not a special zone? Since the central authorities lack funds, we call on you to find a way out. Soon afterwards, the CPC Central Committee and the State Council sent a work team led by Comrade Gu Mu to conduct investigations in Guangdong and Fujian and discuss the issue of running special zones with the leading comrades of the two provinces. In July 1979 the CPC Central Committee and the State Council issued a document which decided to delimit part of the areas from the cities of Shenzhen, Zhuhai, Shantou, and Xiamen for initiating special zones on a trial basis. It was regarded as a special method to draw foreign capital and was called "special zones for export." In May 1980 the CPC Central Committee and the State Council again issued a document formally naming them as "special economic zones." In August 1980 the NPC Standing Committee promulgated the "regulations for the Guangdong special economic zones" and officially approved the establishment of the special economic zones. The CPC Central Committee and the State Council issued another three documents in 1981 and 1982 which further stipulated the principles and policies for running the special economic zones.

The special zones in China are special economic zones and not special political zones. Like the other localities throughout the country, the special economic zones exercise overall state sovereignty, adhere to the four cardinal principles, and build socialist material and spiritual civilization. The special economic zones mainly implement the special economic policies and the special economic management system. In a recent speech, Comrade Gu Mu summed up the essential ideas into the following four points: 1) The economic development of the special zones mainly rely on drawing and utilizing foreign capital; the products manufactured in the special zones are mainly for export, and under the leadership of the socialist economy, the economy of the special zones is an integration of diversified economic components mainly characterized by joint ventures and enterprises run by foreign businessmen on sole proprietorship; 2) the economic activities of the special zones are market regulation; this is different from the planned guidance in the interior; 3) foreign businessmen who invest in the special zones receive special and preferential treatment in taxation and other respects; this is also different from the interior; 4) the special economic zones implement the management system differently than in the interior; in Premier Zhao Ziyang's words, it is called "exceeding the bounds of the current system."

The CPC Central Committee's Concern

The CPC Central Committee has always shown concern over the construction of the special economic zones. Since the inception the special zones on a trial basis, Comrade Deng Xiaoping has affirmed their achievements on several occasions. In 1982 Comrade Chen Yun gave instructions in a document: "In running the special zones, we must constantly sum up experience and strive to run them more successfully." Hu Yaobang, Ye Jianying, Deng Xiaoping, Zhao Ziyang, Li Xiannian, and other leading comrades of the central authorities respectively conducted investigations in Shenzhen, Zhuhai, Shantou, and Xiamen and gave them on-the-spot guidance, which extremely encouraged the builders of the special zones and enabled the construction of the special zones to develop healthily.

On the eve of the Spring Festival in 1983, Comrade Hu Yaobang was extremely happy while inspecting Shenzhen City. He told the local comrades: "You have already opened up a new phase. My general appraisal is that you have accomplished the tasks assigned by the central authorities remarkably." He pointed out: Since the special economic zone is a new emerging thing, we must be bold in exploring and blazing new trails; "the special and new emerging aspects of the special zones should be run in a special and new manner."

He said: "Running new things in a new manner means maintaining our stand and using entirely new methods. How can the communists depart from their stand?"

During 24 January and 17 February 1984, on their trip to the south, Comrades Deng Xiaoping, Wang Zhen, and Yang Shangkun paid special visits to the special economic zones of Shenzhen, Zhuhai, and Xiamen. Comrade Deng Xiaoping said that he wanted to personally witness whether or not the special zones were successful. Through an on-the-spot investigation, he was satisfied with the achievements attained by the special zones. He gladly made the following inscriptions to the three special zones: "The development and experience of Shenzhen show that our policy in establishing special economic zones is correct," "the Zhuhai special economic zone is fine," and "run the special economic zones in a quicker and better way." These are Comrade Deng Xiaoping's appraisals and encouragement to the special economic zones.

Our Guiding Ideology Is To "Open Wide" and Not To "Restrict"

After Comrade Deng Xiaoping returned from the south to Beijing, he held a forum with some leading comrades of the central authorities on the afternoon of 24 February to discuss the issue of running the special zones more successfully and further opening the coastal cities to the world. Comrade Deng Xiaoping issued an extremely important strategic guiding idea. He said: "We pursue an open-door policy in establishing special zones. We must make clear that our guiding ideology is to open wide and not to restrict." He further pointed out: The area delimited for the Xiamen Special Economic Zone is too small. We should make all Xiamen Island a special zone. In addition to the existing special zones, I think we can open some places to the outside world and add some coastal cities. "Although these places are not called special zones, some policies of the special zones can be implemented here." Comrade Deng Xiaoping summarized the role of special economic zones. He said: "The special zones are display windows for technology, management, knowledge, and foreign policy."

Heated discussions were held at the forum. The leading comrades of the central authorities present at the forum agreed with Comrade Deng Xiaoping's proposal and held that opening the coastal cities further was an important plan for continuing the open-door policy. Not long afterwards, the Secretariat of the CPC Central Committee and the State Council began to make concrete designs, arrangements, and preparations for the forum of some coastal cities.

The Lively Forum of Some Coastal Cities

The Secretariat of the CPC Central Committee and the State Council held a forum of some coastal cities in Zhongnanhai's Huairan Hall from 26 March to 6 April to emphatically discuss the issue of further opening the coastal cities to the world. A total of over 90 persons attended the forum. They included the responsible comrades of Tianjin, Shanghai, Dalian, Yantai, Qingdao, Ningbo, Wenzhou, and Beihai; the responsible comrades of Hainan Administrative Office and of the four special economic zones of Shenzhen, Zhuhai, Shantou, and Xiamen; the responsible comrades of the provinces and autonomous regions where these cities are located; and the leading comrades of the departments concerned of the central authorities.

Hu Yaobang, Zhao Ziyang, and other leading comrades of the party and state were also present on the occasion.

On the afternoon of the conclusion of the forum, Comrade Deng Xiaoping and Li Xiannian came specially to Huairan Hall to meet the comrades and take photographs with them in the garden of Huairan Hall. Comrade Deng Xiaoping gladly said: The contingent of the special zones is quite large! It is a very important point to select understanding people to assume responsibility in running the special zones.

The 12-day forum was held in an extremely vivid and lively manner. The comrades coming from various localities and the comrades of the various departments concerned of the central authorities delivered speeches at the forum. The leading comrades of the central authorities did not make special speeches, but listened attentively to the suggestions made by other comrades. They made remarks in between the speeches and discussed the problems with all the comrades.

The experience of Shenzhen and the Shekou industrial zone attracted the attention of the comrades attending the forum. This is because they took the lead and their experiences were of great and guiding significance. Liang Xiang, vice governor of Guangdong Province and first secretary of the Shenzhen City CPC Committee, introduced to the forum how this former desolate border town swiftly turned into a medium-sized modern city. Liang Xiang said: The reason Shenzhen could score remarkable achievements is that we, on one hand, relied on the special policies endowed by the central authorities to the special zones, which attracted foreign capital and businessmen, and on the other hand, we exceeded the limits of the current system and boldly reformed the economic system and management methods.

Yuan Geng, general director for the construction of the Shekou industrial zone, introduced the experience of Shekou. He said: With the self-decision power of approving a project of \$5 million and the self-decision power of investing 50 million yuan from the profits retained by the Chinese Merchant's Steamship and Navigation Company under the Ministry of Communications, Shekou carried out an "adventurous attempt in reform" on a beach of a little more than 2 square km. First of all, we reformed the cadre system, recruited around 500 enterprising "adventurists" from among the graduates and post-graduates of the engineering universities throughout the country, appointed them work after training and observation, and established a contingent of professional backbones. Second, we implemented the contract system in labor and personnel systems on a trial basis. After the probationary period, both parties signed contracts on formal appointments upon agreement. Third, the factories were given the right to dismiss anyone who violated factory regulations and refused to mend his ways after persuasion. The wages were paid according to the principle of distribution according to work. If the workers were not satisfied with the factory, they could resign and look for other jobs. Efficiency and results were stressed on all work. During his inspection tour of Shenzhen, Comrade Deng Xiaoping specially praised Shekou for its rapid pace in construction. He said: The construction pace in Shekou is much faster than that in Shenzhen. This is because they are given some self-decision power, they have implemented the contract system, and they have clearly meted out rewards and punishments. The building teams all come from the interior. With a change of method, their work efficiency is much better. Comrade Chen Yun once said: Although the special zones, including Shenzhen, do not have "key products," Shenzhen has new management methods, which are their "advantages." Under such management, the development speed is relatively fast. This is fine!

The forum defined that all the special economic zones should popularize Shekou's management experience and further reform the management system and organizations.

They should also draw on the experiences of mass production from foreign organizations, assimilate them, and blaze new trails so that the management of the special zones can sensitively react according to the instant changes in the international markets and achieve the best economic results.

At the forum, the comrades from the coastal cities and the provinces, municipalities, and autonomous regions concerned demonstrated their respective superiority, necessity, and possibilities of implementing the open-door policy and talked about their tentative ideas on establishing economic and technical exploitation zones. The comrades of various localities particularly pointed out at the forum that the key to carrying out foreign economic work lies in possessing a number of able and efficient cadres and experts who know professional work. Comrade Gu Mu suggested running a study class in Shenzhen attended by students sent from the coastal cities which are making preparations to open to the outside world and lectured to by Comrades Liang Xiang and Yuan Geng. The lectures would not only explain successful experiences, but also teach the lessons drawn from certain mistakes. He also suggested running a study class in Shanghai. All the comrades agreed with his proposal. Comrade Hu Yaobang said: Shanghai's knowledge, skill, and technological level are relatively higher than in other localities. There is a common saying that boldness of execution stems from superb skill. Shanghai should be bolder as it has superb skill. Comrade Zhao Ziyang suggested that Shanghai should send students to take part in the study class run by Shenzhen in order to open their field of vision. Since the coastal cities, opened to the outside world, are not special economic zones, some experiences of the special zones are applicable here and some are not. Shanghai and Tianjin should also run study classes and introduce their experience in dealing with foreign businessmen, which is beneficial to the medium-sized and small coastal cities.

Premier Zhao Ziyang's Brief Explanation

When the forum was about to end on the afternoon of 6 April, Comrade Zhao Ziyang made a brief explanation on the problems raised by the comrades from various localities:

-- Comrade Xiaoping's proposal on further opening the coastal cities to the world is indeed a major policy. This will be of great and far-reaching significance in further demonstrating the superiority and accelerating the economic development of the coastal areas, in greeting the new technological revolution, and in promoting the modernization program of the entire country. On the one hand, we must resolutely implement the principle of further opening to the outside world, and on the other, we must do it well and make it a success.

-- Although we have carried out the open-door policy for several years, we cannot say that we have rich experience. Generally speaking, we have only taken the first step in opening the coastal cities to the world. The future trend is to open the door wider. He suggested adopting three different forms in a step by step manner in light of the practical circumstances, that is: special economic zones, economic and technical exploitation zones, and further extending the self-decision power of the coastal cities in utilizing foreign capital to carry out technical transformation and cooperation.

-- The opening of the coastal areas mainly relies on policies. Under the present financial situation of the state, it is indeed difficult for the central government to allocate more funds to support the opening of the coastal cities. Therefore, they should rely mainly on policies and the necessary support given by the central government.

-- There are two main points for relaxing the policies: 1) Our taxation and markets should be attractive to foreign capital and businessmen; 2) we must extend the self-decision power of the coastal areas in carrying out foreign economic and technical cooperation.

-- The focal point of the construction of the coastal cities should first be placed on the technical transformation of the old enterprises or on initiating some medium-sized and small enterprises which need little investment, can bring about quick results, and can attain better economic results. It is quite obvious that large enterprises will also be built, but the stress should be placed on building a large number of medium-size and small enterprises.

-- The coastal areas should make use of the condition of further opening to the world to develop some knowledge intensive and technology intensive enterprises. They should also make contributions to the greeting of the new technological revolution.

A "summary" was drafted at the end of the forum, which mainly includes the following two aspects: 1) Relax the policies for investment made by foreign businessmen and give them preferential treatment; and 2) extend the management rights and self-decision power of the localities so that these cities and their enterprises have greater vitality in carrying out foreign economic and technological activities.

When the news of the central authorities' further opening the 14 coastal cities to the world was swiftly spread throughout the country and abroad, it caused strong repercussions from various respects. The whole nation was elated with this major policy made by the CPC Central Committee. In his government work report delivered at the Second Session of the Sixth NPC, Premier Zhao Ziyang pointed out that special attention will be paid to two major issues, namely, restructuring the economy and opening to the outside world in our future economic work. He presented the proposals of actively running well the special economic zones, further opening the coastal cities to the world, and creating a new situation in foreign economic and technological exchange and submitted them to the session for approval. The Second Session of the Sixth NPC has already adopted Premier Zhao Ziyang's government work report. Now, further opening the coastal cities to the world has officially become one of our national policies. It can be anticipated that the implementation of this national policy will infuse new vitality into China's economic development and will promote the rapid development of the entire national economy.

INTERVIEW WITH LI RUI ON NEW LEADING BODIES

HK131546 Beijing LIAOWANG in Chinese No 21, 21 May 84 pp 8-9

[Article by LIAOWANG reporter: "Exert Ourselves and Vigorously Carry Out Innovation -- Li Rui Talks About How the New Leading Bodies Carry Out Their Work"]

[Text] On the morning of 7 May 1984, at the request of LIAOWANG, Li Rui, deputy director of the Organization Department of the CPC Central Committee, talked with this reporter about the conditions of a large batch of young cadres who have taken up leading posts in the last 2 years.

The Structural Reform at the Provincial Level, the Prefectural and City Level, and the County Level Has Been Basically Completed; the Average Age of Leading Members Has Been Lowered, Their Education Level Has Been Raised, and a Large Batch of Young Cadres Have Taken Up Leading Posts; a New Situation Has Emerged for the Work of Cadres

Comrade Li Rui is one of those people who leaves a deep impression on others at the first meeting. With plenty of grey hair, he still appears vigorous and energetic. He told the reporter that under the direct leadership of the CPC Central Committee, the structural reform at the provincial level throughout the country was completed during the first half of last year. The number of leading cadres at the provincial party and government level decreased by 34 percent; their average age decreased from the original 62 to 55; the number of persons having a college education increased from 20 percent of the total to 43 percent; and 45 percent of the cadres were newly promoted to their provincial leading posts. The structural reform at the prefectural and bureau levels was also completed during the latter half of last year. At this level, the number of party and government leaders decreased by 36 percent; their average age decreased from 58 to 50; the number of persons having a college education increased from 14 percent of the total to 44 percent; and nearly half of them were newly promoted cadres. At present the structural reform at the county level has also been basically completed. At this level, a greater decrease in age and enhancement in education has been achieved. Most of the party and government leaders at this level are under 45 years of age, and over a third of them have had a college education.

Comrade Li Rui enthusiastically told the reporter that these changes in the leading bodies at and above the county level mark a new situation in our party's organization work and the work of the cadres. This proves the absolute correctness of the party's principle of ensuring that cadres become more revolutionary, younger in average age, better educated, and professionally more competent. He said that the strides in the reform were not great enough, and further readjustments should be made in the future. The central leading comrades have emphasized that it is necessary to further emancipate the mind and advance in greater strides. It would be more ideal if the leading bodies at the provincial level were composed of people of around 50, 40, and 30-odd years of age, thus forming a trapezoid shape of ages.

The New Leading Bodies Are Full of Vigor, Have a Wide Field of Vision, Are Brisk in Their Thinking, Are Diligent in Their Studies and Exploration, and Have the Spirit of Doing Practical and Hard Work, Thereby Creating a New Situation in Various Fields of Work

He said: The young cadres, who have taken up the leading posts, are full of vigor, have a wide field of vision, are brisk in their thinking, are diligent in their studies and exploration, and have the spirit of doing practical and hard work, thereby bringing vitality to the leading bodies at various levels. Their outstanding strong points are: great devotion to their cause and being bent on conducting reforms and making progress; diligence in studying theory and various kinds of knowledge and paying attention to the integration of an innovative spirit with a scientific attitude; a practical manner in doing their work and seeking to achieve practical results with high efficiency; and persistence in adhering to principles, educating others by their own example, and daring to fight against evil practices without private considerations. Many of them are people having professional expertise, and they dare to proceed from reality, break through old conventions, take new measures, and enhance the level of leading bodies at various levels in making scientific decisions and in carrying out modernized management.

Li Rui said: A multitude of acts have proved that only by boldly selecting and promoting young cadres to various leading posts can a new situation be created in our various kinds of work. For example, in Pingdingshan Mining Bureau, Henan Province, a gas explosion once resulted in confusing the minds of the staff and workers there as well as decreasing production. At the end of 1982 a new leading body was formed, in which the secretary of the CPC Committee was an engineer, and the bureau director assumed the post of mine director and was a chief engineer.

The members of this leading body were comparatively rich in technical theoretical knowledge and practical experience. They successfully led the staff and workers of the entire bureau in changing the passive situation within only 1 year. The Xingang shipbuilding factory in Tianjin is a large factory with 6,000 staff and workers. During the 10 years of turmoil, this factory suffered serious destruction, and consequently the economic results of the factory were very low. Since the 3d Plenary Session of the 11th CPC Central Committee, three readjustments have been conducted in the leading body of this factory. Among the members of the new leading body, over two-thirds have had a college education, and the average age of the leading members has decreased to 43. These educated members have technical knowledge and know how to manage a factory. They conducted bold reforms in the enterprise, and the entire factory has now experienced profound changes. Li Rui said: This case of the Xingang shipbuilding factory is very typical. The facts of this factory have demonstrated that it is absolutely possible for young cadres to shoulder heavy responsibilities.

After Young Cadres Have Taken Up Their Leading Posts, It Is Necessary That They Are Bold in Doing Their Work, Eliminate Outside Interference, and Strive To Carry Out Innovations; They Should Educate Others by Their Own Fine Examples, Adhere to Principles, Go Deep Into Reality To Make Investigations and Studies, and Be Persistent in Fighting for Solutions of Major Issues but Make Allowances for Minor Things; Elderly Cadres Should Enthusiastically Support Their Work and Let Them Explore New Ways Without Interfering

Li Rui pointed out: Young cadres also encounter certain difficulties after assuming their leading posts. The first is that they meet with "mountains of documents and seas of meetings," and consequently cannot concentrate their efforts to grasp the major issues. According to statistics from Heilongjiang Province, for the 80 young cadres who have been promoted to the leading bodies at the departmental and bureau level and at the prefectural and city level, the time used participating in meetings constitutes one-third of their working time. In some places, the new secretaries and new mayors, after several months in office, have not had even an opportunity to conduct investigations at the grassroots level. If things to on like this, how can they blaze new trails and achieve good results? The second is that the trammels of old customs and old regulations also affect part of the young cadres in bringing their role into play. At present, some leading bodies above the county level are still doing things according to old rules, and the heads are still taking care of all things, large and small, and want to have the final say. The third is the interference of abnormal personnel relations. Because of the influence of unhealthy trends in society and in the party, after some young cadres have assumed their leading posts, their relatives and friends, former seniors and former colleagues, all ask for "help" from the new leaders, thus causing them many difficult problems. The fourth is that some elderly cadres feel that the young cadres are too "green" to accomplish things independently, and they tend to find faults with them in a critical manner. Some elderly cadres even want to reserve the so-called "right of approval" and the "right of decisionmaking;" although they may not take part in meetings, they still use various methods such as asking someone to convey a message or sending letters to exert their influence.

Li Rui said: The CPC Central Committee has noticed the difficulties encountered by the new cadres. Recently, the central authorities have specially emphasized that elderly cadres should follow the example of the revolutionaries of the older generation, such as Deng Xiaoping and Chen Yun, and treat the work of supporting young cadres as a matter of primary importance. They should support and help young cadres wholeheartedly and not halfheartedly or falseheartedly. Elderly cadres who have stepped down to the second line should not interfere with the work being carried out by the present leading bodies, so as not to prevent young cadres from bringing their role into play.

Li Rui said in all earnestness: After young cadres have taken up their leading posts, the most important thing is for them to boldly do their work, have the courage to carry out reform and overcome various kinds of obstacles, and be firm and indomitable in doing things. Of course, their weak point is a lack of experience, and it is necessary for them to learn from the elderly cadres. However, their main trend and essence are to reform and blaze new trails, which are prerequisites for doing things well.

After young cadres have taken up their leading posts, what problems should they pay special attention to? Li Rui said: First, they should exercise strict self-discipline, never seek private gain, and wholeheartedly serve the people. They should not seek privileges, never place themselves in improper positions, and soberly realize their own weak points so that they can learn from the strongpoints of others. Second, they should always go deep into practice and make investigations, use their real knowledge and insight in dealing with problems, and be good at solving long-standing problems one by one in a practical manner, in order to improve their work continuously. In this way, their prestige will be enhanced, and those who felt ill at ease will now feel comfortable about the ability and performance of the young cadres. Third, they should "be clear about the major issues, but not be particular about trifling things." With regard to the important problems involving the line, principles, and policies, they should never be passive but should be resolute and clear in their handling of the problems. As to trifling things, they "should not be too particular about them." This does not mean that they know nothing of what is going on, but they should be resolute in tackling important problems and should not be too demanding toward trifling matters.

Comrade Li Rui particularly emphasized that young cadres should never overvalue praise and publicity about their deeds of course, achievements in work and experience gained should be popularized. Comrades in the mass media should also pay attention to the reports on the new leading bodies carried by the press, television, and radio. Reports should not be full of unreserved praise, let alone exaggerated eulogies.

To Work Assiduously and With Vigor, Dare To Practice, Be Good at Studies, and Be Not Afraid of Setbacks

Comrade Li Rui said finally: At present, we are confronted with the situation of reform; there are profound changes in all fields; and in the future there will be more unforeseeable occurrences. In the current reform the young cadres should, under the guidance of the principles and policies of the CPC Central Committee, work assiduously and with vigor, and take the lead in carrying out reforms, and they should not be overcautious, nervous, or indecisive. It does not matter much if some mistakes and setbacks occur in the course of progress. Who can guarantee that he will not make a single mistake in his life? As long as they are bold in carrying out practice and good at studies, it is certain that the young cadres can satisfactorily fulfill their historic task of advancing the undertaking of the predecessors and opening up a new path for the future.

NPC DEPUTY DISCUSSES RIGHTS OF INTELLECTUALS

HK151220 Beijing GUANGMING RIBAO in Chinese 25 May 84 p 1, 4

[Report by reporters Li Shuxi and Wu Xiaomin: "Protect the Legitimate Rights and Interests of Intellectuals -- Zhang Youyu, Deputy to the Sixth NPC and Vice Chairman of the Law Committee of the NPC Standing Committee, Answers Questions Raised by GUANGMING RIBAO Reporters"]

[Text] Zhang Youyu, deputy to the Sixth NPC and vice chairman of the Law Committee of the NPC Standing Committee, on the morning of 23 May and in the quarters of the Beijing delegation, answered some questions raised by GUANGMING RIBAO reporters on how to protect the legitimate rights and interests of intellectuals.

Question: Please give a brief introduction to the fundamental spirit and concrete stipulations in China's current Constitution, laws, and regulations on protecting the legitimate rights and interests of intellectuals.

Answer: Intellectuals play an important role in China's great cause for socialist modernization. Therefore, the "Preamble" of China's Constitution particularly stresses: "In building socialism it is imperative to rely on the workers, peasants, and intellectuals." It is hard to imagine that a high degree of socialist spiritual and material civilization can be built in a country where intellectuals are discriminated against and oppressed. Particularly when we are now confronted with a new technological revolution throughout the world, it is no good without the efforts of intellectuals on scientific and technological inventions and discoveries. China's "Constitution" and other laws and regulations have all paid full attention to this. For example, it is clearly stipulated in Articles 20, 23, and 47 of China's "Constitution": "The state promotes the development of natural and social sciences, disseminates scientific and technical knowledge, and commends and rewards achievements in scientific research as well as technological discoveries and inventions;" "the state encourages and assists creative endeavors conducive to the interests of the people that are made by citizens engaged in education, science, technology, literature, art and other cultural work." According to the spirit of the "Constitution" of encouraging discoveries and inventions, training professionals, and protecting the citizens' freedom and rights in scientific research, discoveries, and inventions, the NPC Standing Committee adopted on 12 March of this year, China's first "Patent Law" which provides for the rights and interests enjoyed by people who make discoveries and inventions. The State Council recently also made a decision to increase the rewards for scientific discoveries.

These regulations effectively protect the legitimate rights and interests of those intellectuals who engage in scientific and technological work and make discoveries and inventions. This is not only to protect the legitimate rights and interests of individuals, but also to protect the interests of the entire nation and the whole people. Because, in order for intellectuals to make discoveries and inventions and contribute to socialist construction, it is necessary to guarantee their necessary working and living conditions. People who violate the above regulations and infringe upon the legitimate rights and interests of intellectuals must be punished and severely dealt with.

Question: Cases of persecuting and oppressing intellectuals and violating their legitimate rights and interests have appeared time and again during the past few years. Please give your opinions on this problem.

Answer: Since the 3d Plenary Session of the 11th CPC Central Committee, the status of Chinese intellectuals has greatly improved, but, on the whole, their living and working conditions are still very bad and their rights and interests and the rewards they receive for their labor are not suited to their contributions. Their existing rights and interests must be protected, and must not be violated in any form. Why have cases of persecuting intellectuals appeared in recent years? Ideologically, because some people fail to realize the important role of intellectuals, fail to understand that intellectuals have now become a part of the working class, treat them as aliens, discriminate against and exclude them, fail to allow them to give play to their talent and ability, are unwilling to improve their living conditions, are jealous of them for their better rewards, and retaliate against them; legally, because some people pay little or no attention to the legal system and fail to observe the Constitution and abide by the law. For example, according to reports in newspapers, an engineer was accused of accepting bribes and graft because he received rewards for his labor; a scientist was cruelly treated by responsible persons of an agricultural institution and committed suicide.

If verified, such cases must be seriously dealt with and it is necessary to affix the legal responsibility of those who violate the law. In his "government work report," Premier Zhao Ziyang pointed out: "It is necessary to seriously treat and severely deal with cases of excluding, oppressing, and retaliating against intellectuals." At the current NPC session, many deputies also made similar appeals, which should be seen as the people's voice.

Question: How should we use the legal weapon to protect the legitimate rights and interests of intellectuals?

Answer: For the moment, I cannot talk about the problem very completely. I can only stress one point, that is, in order to make people use the legal weapon, it is, first of all, necessary for them to master the weapon. In this respect, relevant leading cadres and personnel must study the law, become familiar with relevant laws and regulations in China on protecting the rights and interests of intellectuals, and understand, execute, and protect the laws. Intellectuals must also study and understand the law and use the legal weapon to safeguard their legitimate rights and interests. Everyone must oppose acts which violate the Constitution and law and infringe upon the legitimate interests of intellectuals, and intellectuals must also fight against them. In this aspect, it is also necessary to rely on propaganda in the newspapers.

As a newspaper which is popular among intellectuals, GUANGMING RIBAO has in recent years carried many reports and articles and held discussions on protecting the legitimate interests of intellectuals, giving publicity to the important role of intellectuals, legal knowledge, and playing a good role. I hope that you will carry on and make greater contributions to safeguarding the legal system and implementing the policy on intellectuals.

RENMIN RIBAO ON PROBLEMS OF DAQIU VILLAGE

HK141350 Beijing RENMIN RIBAO in Chinese 10 Jun 84, p 2

["Newsletter" by RENMIN RIBAO reporter Yu Huanchun: "'A Prosperous Enterprise Meets Numerous Hardships' -- What Daqiu Village in Tianjin Municipality's Jinghai County Has Encountered on the Road to Prosperity"]

[Text] Through efforts lasting 5 years from 1979 to 1983, Daqiu Village is no longer a rural place where people depend heavily on cultivated land for existence and monotonously engage in grain production generation after generation. It has now become a new rural place full of great vitality where agriculture, industry and commerce are developing simultaneously. Daqiu Village has really become well-off. Last year its new income amounted to 6 million yuan and its per capita income totaled 1,266 yuan. However, instead of the wrinkles on the face of Yu Zuomin, leader and party secretary of Daqiu Village, becoming smooth after the success in changing the village from poor to rich, they have become deeper compared with what they were 3 years ago. With feeling Yu Zuomin said: "A prosperous enterprise meets numerous hardships!" This remark of his suggested an inextricable constraint in his mind. Why?

After visiting Daqiu Village, a comrade from a certain central organ wrote Yu Zuomin a letter attached with a short article carried in a newspaper. The article said: "Before becoming a most outstanding person, Mr so and so seemed to have nothing bothering him but once he became a most outstanding figure, some people were quick to find fault with him. They were busy investigating, first, his past record; second, his financial condition; and third, his behavior. If he manages to pass these "three tests," then a fourth investigation will be conducted, that is, whether or not this man has become arrogant. No fault can escape this test for certain." This was the answer to the question.

Two Tests in Political Soundness

In fact, Yu Zuomin encountered "five tests" rather than "four tests." Above all, he had to pass the two tests in political soundness: Are you practicing capitalism? Have you departed from the general orientation of the policies?

Yu Zuomin worked as an accountant for 11 years and as a team leader for 8 years, and assumed the post of a brigade branch party secretary for 12 years. Having experienced one political movement after another, Daqiu Village was still becoming poorer and poorer. He summed up historical experiences, both positive and negative, and was determined to conduct reforms in agriculture, change the situation where the entire village population totaling 3,000 (with a work force of 1,200 people) depended exclusively on tilling the land for food, and liberate most of the work force in order to engage in sideline production and develop industry so that the entire village could become well-off as soon as possible. The way out was to introduce the system of contracted responsibilities and smash the practice of everybody eating from the same big pot.

At the very beginning of reform, there were rumors in society that "Daqiu Village is again practicing the 'three freedoms [private plots, free markets, and responsibility for one's own profits and losses] and one contract'" and "Yu Zuomin is exercising retrogression and restoring capitalism." In the county CPC Committee there were also people who were opposed to what Yu Zuomin had done, thinking that the peasants should view farming as the foundation of endeavor and see grain as the dominant factor, and that diverting a large number of the work force from agriculture to industry meant departing from the orientation of the party line. They tried to advise Yu Zuomin not to take this road. However, Yu Zuomin followed the path pointed out by the 3d Plenary Session of the 11th CPC Central Committee rather than following their "advice."

Within 5 years he conducted reforms three times, carried out readjustments five times, and thus set up an operational and management system characterized by "unified operations, specialized contracting, assigning output quotas for each able-bodied laborer, and bonuses distributed on a progressive basis." Under the system, those who are industrious and have made great contributions are to be rewarded but those who are indolent and have not made contributions are to be punished. Last year Ma Deliang contracted for 137 mu of land and reaped 98,000 jin of grain. He satisfactorily completed the tasks as described in the contract, and his yearend income came to 16,500 yuan. Yu Zuoan contracted for 18.5 mu of land and harvested 3,160 jin of grain. However, he failed to fulfill the tasks as described in the contract, and netted only 550 yuan.

In Daqiu Village one will never see the "superiority" of socialism bearing the mark that no distinction is made between those who work and those who do not, and between those who do a good job and those who do a poor one. The distribution system of more pay for more work has brought the enthusiasm of all people into full play. With a work force of 1,200 people being thrown into grain production in the past, the highest annual grain output was 2.4 million jin; the work force was reduced to 550 people in 1979 and the annual grain output increased by 400,000 jin; it was slashed to 220 people in 1982, but the annual grain output registered an increase of 200,000 jin over the 1979 figure; and it was further curtailed to 180 people in 1983 when the village was afflicted by a severe drought, but the total output of grain and oil-bearing crops amounted to 3 million jin. With a smaller work force, the people in the village managed to produce more grain. Instead of abandoning agriculture, Daqiu Village has smashed the practices of egalitarianism and of eating from the same big pot and developed agriculture. This conforms with the spirit of the instructions of the central authorities and has won the support of the masses. Those who labeled Yu Zuomin as practicing capitalism and argued that going in for industry means a departure from the orientation of agricultural development are keeping quiet.

Resolutely resisting unjust pressure, Yu Zuomin organized the surplus work force and ran nine factories under the Daqiu-type management system, which enabled the factories to operate and make profits as soon as they were built. Last year the total industrial income amounted to 18.42 million yuan, ranking first in income of the brigade-run enterprises throughout the country. Some people cast doubts on the rapid development of the village's industry. They spread rumors that "a small industry was contending with a large industry for materials" and that "the small was squeezing out the big." Yu Zuomin admitted that there was "contention" and "squeezing" between a small industry and a big industry. But he maintained that as long as these two industries were well run, they could rely on each other, support each other, and develop together. At present Daqiu Village produces more than 10 types of industrial products, which are marketed in 22 provinces and cities throughout the country. The village turns odds and ends of large industry into raw materials for its small industry. In 2 years' time the village cold-rolled belt steel factory and steel tube factory used 22,000 tons of industrial waste to produce 9,000 tons of belt steel and 7,600 tons of steel tubes for large industry. Last year the village printing house made good use of 3,000 rims of defective newsprint and helped solve difficulties faced by consumers. Of course, some materials have to be solved through regulations by market mechanisms. If there is "contention," it is contention for customers and reputation. The small industry of Daqiu Village enjoys support from large industry thanks to the good quality of its small industrial products. Yu Zuomin said: "We are not 'using the small to squeeze out the big' but are 'using the small to bring forward the big.' We are assisting large industry."

Fabricated Economic Crimes

No one could topple Yu Zuomin over politics, so a third barrier was placed before him. He was given an economic check, which is different in nature from the above two tests. An economic check can wear down a man's spirit and call for deep thought. In July 1982, based on the contents of an anonymous letter, the county CPC Committee formed an investigation group composed of the county Public Security Department and the county Discipline Inspection Commission to investigate so-called "economic crimes" in Daqiu Village. The writer of the letter trumped up a charge against Yu Zuomin, asserting that he indulged in bribery, committed arson, and carried out speculation and profiteering and that the people of Daqiu Village "had made a fortune through dishonest practices." This vilification brought about further rumors: Yu Zuomin was arrested, he committed suicide by lying on the railroad tracks, he drank DDT.... As a result, the people of Daqiu Village dared not raise their heads.

Prior to the arrival of the investigation group in the village, Yu Zuomin went to the county seat and asked the county CPC Committee to listen to the opinions of the "defendant." Yet, without listening to his opinions, some leaders of the county CPC Committee said sophistically: "We believe that we will ferret something out." Hearing this, Yu Zuomin could not help recalling Yu Xingquan, former secretary of the county CPC Committee. By the end of 1978, while suggesting the responsibility system and putting an end to the practice of eating from the same big pot, Yu Xingquan told Yu Zuomin: "One has to take risks in carrying out reform. You should be bold. I will bear the responsibility if problems emerge." This attitude formed a striking contrast to that of some leaders of the present county CPC Committee!

Yu Zuomin's heart beat faster. But such faster beats were not worth mentioning compared with the cause he was in charge of. He did not yield to vilification or rumors.

Instead, he encouraged the people of the village to exert themselves, to resist all kinds of pressure, to continue to carry out reform, and to build Daqiu Village wholeheartedly so that everyone could live a happier life.

After a long period of 7 to 8 months, the investigation finally came to an end. The so-called "economic crimes" turned out to be false charges. Daqiu Village demanded that the writer of the letter be seriously dealt with. But some leaders of the county CPC Committee said that the writer should be protected. When Yu Zuomin asked the county CPC Committee for the results of the investigation, a leader of the county CPC Committee said: "There is no harm in investigating you, is there? Even if you are not involved in such irregularities, are you sure that you have never indulged in unhealthy practices?"

The So-Called Problem of Work Style

Consequently, there is the fourth barrier, the so-called barrier of work style. Daqiu Village, which had more than 3,000 people and had relations with 700 business units of some 20 provinces and cities. While dealing with these relations inside and outside the village, Yu Zuomin always adhered to the rules of Daqiu Village: Never be entertained in the home of the masses; gifts sent by other units should be handed over to the collective; and whoever entertains a guest or sends a gift should pay for it. Yu Zuomin served as an example to others and gave no thought to gains or losses in money or materials. More than half of his income was spent on collective undertakings. He was honest and upright and enjoyed the support of the masses. However, some people among the county authorities were not willing to let him off. They tried by every means to investigate his so-called work style problem. Before the trouble of the 1982 investigation ended, another new investigation began and Yu Zuomin was regarded as "posing himself to be a local tyrant" because when he was in the hospital in October 1983, he smoked Zhonghua brand filter tip cigarettes and ate crabs sent by the people from the village. This was exaggerated by other patients in the ward and reported to the city authorities. Furthermore, Yu Zuomin was kept in the dark because the county CPC Committee did not verify the facts with Hu Zuomin in person and also did not consult with the commune party general branch, but submitted the report to the city authorities with the remark "the facts are verified and proved to be true."

Although after investigations Daqiu Village and Yu Zuomin were proved to be innocent, the county CPC Committee was unwilling to give up and tried to give the people inside and outside of the village the impression that there existed problems in Daqiu Village. Please look at the following facts: In 1981, the commune submitted a report recommending Yu Zuomin as an exemplary party member; in 1982, the commune submitted a report recommending Daqiu Village party branch as an advanced party branch; and in 1983, the commune submitted a report recommending Yu Zuomin as model laborer of Tianjin City. However, the county CPC Committee refused to approve the three reports. With deep resentment, a responsible comrade of the commune party committee said: "If the county CPC Committee refuses to recognize and support you, we will recognize and support you. Yu Zuomin has taken the lead in the entire county in implementing the responsibility system. He is bold in carrying out reforms and blazing new trails. He has done things never thought of by others. Daqiu Village objectively exists when you recognize it or not."

The Impassable Barrier of Arrogance

Yu Zuomin's arrogant and disobedient behavior is perhaps the barrier which can never be passed. Yu Zuomin did not forget the motto "Modesty helps one go forward, whereas conceit makes one lag behind." However, is it wrong for Daqiu Village to remain united with the CPC Central Committee, to be bold in carrying out reforms, to increase its total output value by 15-fold in 5 years, to eliminate poverty and become prosperous, and for the whole village to be proud of these achievements?

Is it also arrogant to resolutely resist the criticisms made by the bureaucrats; the shackles of "leftist" ideas, force of habit, and traditional ideas; and the gossip? If all of the people are absolutely obedient, what is the use of carrying out reforms? Daqiu Village has unswervingly taken its own path, developed industry, improved its agriculture, run colleges to train talented people, invited experts and lawyers to serve as their advisers, ordered airplanes, and purchased electronic equipment. Yu Zuomin said with full confidence: We will be prouder after the ideals of Daqiu Village are realized in the next 5 to 10 years. Let them say what they want!

Now the "objective existence" of Daqiu Village is being realized by more and more people and there is a continuous stream of people coming to visit this village. Not long ago the county CPC Committee made a self-criticism admitting the lack of understanding of this typical example. Nevertheless, the problem is not yet solved. Some people still take a sceptical attitude toward Daqiu Village and Yu Zuomin and are spreading rumors. Yu Zuomin and the people of Daqiu Village still feel that they are burdened with inextricable heavy pressures.

The defects of the typical examples and the shortcomings of the people who are taking the lead in reform should certainly be pointed out, criticized, and investigated. The problem is we must adopt an attitude of supporting, helping, and cherishing them and must help them overcome their shortcomings and continuously make advances. The endless investigations which encourage the dissemination of rumors and frame and slander others should be brought to an end. It should also be regarded as a "reform" to create an environment and atmosphere suitable for reform for the people who are resolved to make reforms.

Further on Daqiu Village

HK151123 Beijing RENMIN RIBAO in Chinese 14 Jun 84 p 1

["Today's Talk" column by Zheng Yi: "Reformers Are Glorious"]

[Text] I would like to recommend a newsletter to our readers entitled: "A Prosperous Enterprise Meets Numerous Hardships," carried in the 10 June RENMIN RIBAO. The newsletter narrated the struggle of Yu Zuomin, secretary of the party general branch of Daqiu Village, in breaking through five formidable barriers that he met on the road to reform. The story is reminiscent of Guan Yuchang [a character in the historical novel "Romance of the Three Kingdoms"] who "killed six generals at a stretch when charging through five successive passes."

When reading the newsletter, I realized that there must be some reformers who did not lack the courage for starting reforms in the very beginning but eventually failed to stand the test in the face of various obstacles and difficulties, and were frustrated by slanders and rumors. In the course of reform, some people have shown firm determination. They have feared no hardship, surmounted all obstacles, and eventually made breakthroughs. Their brave struggle is really exciting and inspiring. However, some other people have surrendered to difficulties and obstacles. This is really regrettable and distressing. We must not only fully recognize the importance of reform, but also fully estimate the difficulty and complication of reform. We must vigorously incite public opinion to cultivate a mentality that to be a reformer is glorious and to oppose reform is shameful. We must commend our heroes in the reform as we commended combat heroes during wartime, strongly supporting them and clearing the way for them.

Those who deliberately make things difficult for and persecute reformers defend themselves by quoting a high-sounding reason. They complain: "You are practicing capitalism!" and "You are rightist!" They just claim themselves to be the defenders of "socialism." According to their logic, it is absolutely righteous to criticize "rightists," and one can criticize "rightists" in any way one likes, because what one has to do in case one has wrongly attacked others is to make a casual self-criticism. Thus it can be seen that some people still believe in the principle of better being "leftist" than "rightist." We must resolutely remove this bad habit derived from "leftist" thinking. Those who practice ultraleftism, hold things up, and persecute others are definitely liable to severe punishment by party discipline and state law. Particularly in the current party rectification must we take real action against those die-hard ultraleftists who persist in attacking others.

CHINA DEMOCRATIC LEAGUE HOLDS WORK CONFERENCE

OW131125 Beijing XINHUA Domestic Service in Chinese 1602 GMT 12 Jun 84

[Text] Beijing, 12 Jun (XINHUA) -- The China Democratic League held its national conference on organizational and propaganda work in Beijing from 2 to 12 June. At the conference, participants conscientiously studied the documents of the Second Session of the Sixth NPC and the Second Session of the Sixth CPPCC National Committee, discussed measures for strengthening the league's organizational and ideological work, and proposed in their work the league's organizations at various levels conform to the new situation of reform and opening to the outside world at present, bring into full play the superiority of intellectual groups, and contribute to the introduction of new technologies and to the development of our nation's economy.

Chu Tunan, vice chairman of the China Democratic League's Central Committee, stressed in his speech at the meeting the need to keep the thinking of all comrades of the league abreast of the constantly developing new situation and to help them become promoters of reform. He said that in order to achieve this, it is important to promote study among the members themselves, strengthen self-education and self-reform, keep up with the constantly developing historical trend, and carry out better the mission assigned to us by history.

At the 11-day meeting, the representatives fully stated their views about how to strengthen organizational and propaganda work of the democratic league.

Fei Xiaotong, Qian Weichang, Tao Dayong, Gao Tian, and Ye Duiyi, all vice chairmen of the China Democratic League's Central Committee, also made speeches at the meeting. They conveyed the guidelines of the sessions of both the NPC and the CPPCC National Committee and expressed their views on how to implement the guidelines.

Li Ding, deputy head of the CPC Central Committee's United Front Work Department, delivered a speech at the conclusion of the conference.

Also present at the conference were Sa Kongliao and Wen Jiasi, both vice chairmen of the China Democratic League's Central Committee.

HUANGPU MILITARY ACADEMY CELEBRATES ANNIVERSARY

Forum Held in Beijing

OW130507 Beijing XINHUA Domestic Service in Chinese 0142 GMT 12 Jun 84

[By reporter Luo Changhua]

[Excerpts] Beijing, 12 Jun (XINHUA) -- June 16 will be the 60th founding anniversary of the Huangpu [Whampoa] Military Academy. On the eve of the anniversary, a dozen or so old alumni, including Xu Xiangqian, Xu Deheng, Hou Jingru, Zheng Dongguo, and Huang Wei, happily got together at a forum held at the Great Hall of the People, reminiscing on the Huangpu spirit, which they all observed, and looking at the brilliant prospect for the great undertaking of the motherland's reunification.

Xu Xiangqian was the first to speak at the forum. He said: "Sixty years ago, at a critical moment, when the fate of the Chinese nation hung in the balance, Dr. Sun Yat-sen, resolutely implementing the three major policies of 'allying with Russia and the communists, and assisting the peasants and workers,' cooperated with the Communist Party and founded the Huangpu Military Academy. During the first cooperation between the Kuomintang and the Communist Party, Huangpu alumni from both the Kuomintang and the Communist Party fought side by side to win victories in the eastern and the northern expeditions. During the second cooperation, many of our alumni again fought side by side in resisting the enemy and winning a victory in the war of resistance against Japan. Since the founding of New China, Huangpu alumni on the mainland and overseas have, in the spirit of treating each other with all sincerity and sharing weal and woe, made unremitting efforts for the motherland's reunification and prosperity." After a pause, Xu Xiangqian went on to say: "In cherishing the memory of Huangpu, we all the more think of those alumni in Taiwan. We fervently hope that all alumni at home and abroad will display the Huangpu spirit, and dedicate their remaining years to the realization of cooperation between the Kuomintang and the Communist Party for a third time, and the accomplishment of the great undertaking of the motherland's reunification."

As soon as Xu Xiangqian had finished his speech, 94-year-old Xu Deheng spoke. After recalling the first cooperation between the Kuomintang and the Communist Party, he said: "History has already proved that, as long as the Kuomintang and the Communist Party are united, there will be strength. I hope that the Kuomintang authorities and old alumni of the Huangpu Military Academy in Taiwan will work with us in realizing cooperation between the Kuomintang and the Communist Party for a third time. May the Kuomintang and the Communist Party be reunited in building our country."

Xu Deheng on KMT-CPC Cooperation

OW150341 Beijing XINHUA Domestic Service in Chinese 0215 GMT 14 Jun 84

[Newsletter by XINHUA reporters Li Shangzhi and He Ping: "When Will We Strive Hand in Hand Again To Build the Chinese Nation? -- A Visit With Xu Deheng, Former Political Instructor of the Huangpu Military Academy"]

[Summary] Beijing, 14 Jun (XINHUA) -- At a dinner welcoming the homecoming of Mr Li Zongren one day in August 1965, Comrade Zhou Enlai met Comrade Xu Deheng. After chatting, Zhou found out that they both had taught at the Huangpu Military Academy, but at different times. "On eve of the 60th founding anniversary of the Huangpu Military Academy, we called on 94-year-old Xu Deheng who has experienced many vicissitudes of life. As a witness of history, he recalled the cooperation between the Kuomintang and the Communist Party."

In 1924, with the active support and assistance of the Chinese Communists, Dr. Sun Yat-sen convened the first Kuomintang National Congress in Guangzhou and formulated the three major policies of allying with Russia and the communists and assisting the peasants and workers, thereby bringing about cooperation between the Kuomintang and the Communist Party for the first time. Within a few years, the national revolution led by Dr. Sun Yat-sen won victory after victory. Eager to plunge into the mighty torrent of the revolution, Xu Deheng returned in early 1927 from France to Guangzhou, where the military academy was located. Xu Deheng said: The Huangpu spirit means cooperation between the Kuomintang and the Communist Party and unity to save the country. This spirit was manifested in the early stage of the military academy. When it was first founded, Dr. Sun Yat-sen was the principal responsible person, Chiang Kai-shek, commandant; Liao Zhongkai, party representative; and Zhou Enlai, director of the political department of the academy. Well-known communists, as well as Kuomintang members, taught at the school. Owing to the first cooperation between the Kuomintang and the Communist Party, the Huangpu Military Academy became the cradle of the revolution and trained many outstanding military and political backbone personnel for the northern expedition. Regrettably, the Kuomintang launched a "party purification" campaign at Huangpu on 18 April 1927, during which a large number of the Communist Party members were arrested or even murdered. Hence, the Chinese nation was in turmoil again.

Taking advantage of the chaos in China, the Japanese imperialists instigated the "18 September incident" in 1931 and invaded China's northeastern provinces. Placing the national interests above all, the Chinese Communists again cooperated with the Kuomintang in winning the war of resistance against Japan and safeguarding national independence and territorial integrity.

As a witness to the history of cooperation between the Kuomintang and the Communist Party in the two periods, Xu Deheng said with deep emotion: "Past experience, if not forgotten, is a guide for the future. A review of the experience and lessons of cooperation provides food for thought. History has proved that when the Kuomintang and the Communist Party cooperate with each other, the nation prospers, and that a split between them undermines the national interests." Xu Deheng said: "The tendency these days is to realize the motherland's reunification as early as possible and reinvigorate the Chinese nation. The CPC has shown the utmost tolerance and patience toward the Taiwan authorities by presenting the proposal for one country under two systems. The Taiwan authorities should conform with the historical trend and not disappoint the people on both sides of the strait."

In conclusion, Xu Deheng said: "When will we strive hand in hand again to build the Chinese nation?" He expressed hopes that Huangpu alumni in Taiwan and overseas will display the Huangpu spirit, urge the Taiwan authorities to cooperate with the CPC for a third time and strive jointly in the great undertaking of the motherland's reunification and for the prosperity of the country.

Xu Xiangqian Sends Letter

OW171447 Beijing XINHUA Domestic Service in Chinese 0744 GMT 16 Jun 84

[Text] Beijing, 16 Jun (XINHUA) -- Congratulatory letter from Xu Xiangqian to all alumni and former staff members of the Huangpu Military Academy attending the meeting to commemorate the 60th anniversary of the academy's founding.

Dear alumni and former staff members:

It has been 60 years since the Huangpu Military Academy was founded.

While commemorating the academy's founding anniversary, I wish to extend my warm greetings to all the alumni and former staff members who are here attending this meeting.

Sixty years ago, when our national revolution was in acute difficulty, the great forerunner of the Chinese democratic revolution, Dr. Sun Yat-sen, supported and aided by the Communist International and the Chinese Communist Party, resolutely founded the Huangpu Military Academy to train backbone elements for building a national revolutionary armed force. With the lofty aspiration of saving the nation and the people, we ardent youths came to Huangpu, Guangdong, group after group, from various parts of the country. Acting in the spirit of "love and sincerity" and singing the school song which described the "raging tide" of the revolution, we took part in military drills together and studied in the same classroom. In the eastern campaign and northern expedition, we schoolmates fought valiantly on the battlefields and courageously killed the enemy, performing brilliant feats which were well known both at home and abroad. The exceptional contributions of the Huangpu Military Academy during the first period of cooperation between the Kuomintang and the Communist Party wrote an illustrious chapter in the annals of the Chinese revolution. While commemorating the academy's 60th founding anniversary today, we cannot but cherish the deep memory of those vigorous years, the years of unity and cooperation between the Kuomintang and the Communist Party. As everyone knows, an unfortunate situation arose later, but at the critical moment concerning the life and death of our nation, the people of noble minds from Huangpu attached importance to the interests of the country and people and once again joined hands to carry on the war of resistance against Japan through to the final victory. In commemorating Huangpu, we will never forget the old schoolmates and colleagues who gave their lives for the cause to make the Chinese national unified, prosperous, and strong.

Times goes by without ceasing. All those events have passed, and I myself am now over 80. However, what gratifies us is that China has undergone a drastic change in the past 60 years and now the Chinese stand tall among the nations in the world. The ideals for which Dr. Sun Yat-sen worked have become or are being turned into a reality. Today the mainland is noted for its successful government and harmonious human relations with many undertakings to be developed. However, the country has not yet achieved complete reunification, and more work has to be done to make the nation prosperous, rich, and strong. To end the unfortunate separation between Taiwan and the mainland and accomplish the great cause of reunifying the motherland at an early date, the Chinese Communist Party has issued many appeals and Comrades Hu Yaobang, Ye Jianying, Deng Xiaoping, Zhao Ziyang, and Deng Yingchao have made statements and talks on numerous occasions to announce in explicit terms the cardinal principle for the peaceful reunification of the motherland. This principle has received warm support from the compatriots in Taiwan and abroad. People are rejoicing over the fact that the situation on the Taiwan Strait has relaxed in recent years. As I recall, Dr. Sun Yat-sen once said: "Unification is the hope of the people at large. Unification will bring happiness to all people in the country. Without unification, they are bound to suffer." Reunification of our country accords with the will of the people and the aspiration of the nation. It is an irresistible historical trend. I earnestly hope that you who are present here at this meeting as well as the alumni and former staff members of the academy who are now in Taiwan, Hong Kong, and other places abroad will bear in mind Dr. Sun Yat-sen's teaching, advance the Huangpu spirit, and take it as your own responsibilities to reunify our country and to make our nation strong and prosperous, discard all ill will, cooperate hand in hand, and contribute what you have to the reunification of the motherland and the rejuvenation of China so as to win glory for the Chinese revolution and to add brilliance to your personal history.

I. 18 Jun 84

K 21

CHINA
PRC NATIONAL AFFAIRS

Let all of us spur ourselves on. I wish you the best of health.

Xu Xiangqian

16 June 1984

Alumni Association Established

OW170917 Beijing XINHUA Domestic Service in Chinese 1205 GMT 16 Jun 84

[Text] Beijing, 16 Jun (XINHUA) -- The Alumni Association of the Huangpu Military Academy was declared established today. Here are the names of its leading members: President: Xu Xiangqian; advisers: Nie Rongzhen, Xu Deheng; vice presidents: Hou Jingru, Zheng Dongguo, Song Xilian, Li Moan [2621 7817 1658]; council members: Cheng Zihua, Cai Wenzhi [5591 2429 3112], Li Xianzhou, Huang Wei, Yan Ku Yao, Guo Huaruo, Huang Jie (female), Qin Yizhi, Guo Rugui, Song Ruiké [1345 3843 3784], Cao Guanghua, Tang Shengming, Wen Zuoci [3306 0146 1964], Zhao Zili, Shen Ce [3088 4595], Xiao Zuolin, Li Yikuang; secretary general: Li Gangju [2621 6373 7467]; deputy secretary general: Cheng Yuan.

Adopts Charter

OW170931 Beijing XINHUA Domestic Service in Chinese 1207 GMT 16 Jun 84

[Text] Beijing, 16 Jun (XINHUA) -- Charter of the Huangpu Alumni Association.

1. This association is named the Alumni Association of the Huangpu Military Academy.
2. The aims of this association are to carry forward the Huangpu spirit, get in touch with schoolmates, promote the motherland's reunification, and be dedicated to China's revitalization.
3. All schoolmates of the Huangpu Military Academy who approve of this association's aims and who volunteer to join it, will be accepted as members when approved by the association's board of directors. All other Huangpu Military Academy alumni associations which approve of this association's aims and apply to join it, will be accepted as group members when approved by the general membership meeting.
4. The board of directors of the association consists of a president, two to three advisers, three to five vice presidents, and undecided number of directors, as well as a secretary general and a deputy secretary general to lead the association's various operations. Under the board of directors there are agencies for handling various routine duties under the supervision of the secretary general and the deputy secretary general.
5. The current board of directors was established at the meeting commemorating the 60th anniversary of the founding of the Huangpu Military Academy. The next board of directors will be elected at the general membership meeting.
6. A general membership meeting will be held annually to discuss and decide on major affairs of the association as well as to elect the board of directors. A meeting of the board of directors will be held semiannually to discuss and decide on important matters of the association and decide on personnel appointments or dismissals.

I. 18 Jun 84

K 22

CHINA
PRC NATIONAL AFFAIRS

Both the previously mentioned meetings can be convened earlier than their respective due dates or can be postponed when such actions are deemed necessary.

7. This association depends on donations from its members and government subsidies for its expenses.

8. This association is located in Beijing.

9. Revisions of this charter will be decided on at the general membership meeting.

RENMIN RIBAO CARRIES HONGQI TABLE OF CONTENTS

HK160400 Beijing RENMIN RIBAO in Chinese 15 Jun 84 p 7

[Table of Contents of HONGQI No 12, 1984]

[Text] Commentator's article: "On Knowledge at a Higher Level"

Article by Zhou Guanwu: "Promote Modernization of Management in the Course of Reform"

Article by HONGQI reporter: "How Has the Construction Industry Been Reformed in Shenzhen?"

Article by Chen Fudong: "Investigation Into Five Specialized Villages"

Article by Shi Jun and Mu Shengqin: "Strengthen the Building of the Legal System of Regional Autonomy for Minority Nationalities"

Article by Zheng Shi: "An Important Reform of the Military System of Our Country"

"Great Achievements in Economic and Social Development During the 35 Years after the Founding of Our Country (Statistical Data, Part III)"

Article by Zheng Junping: "Pay Attention To Solving Major Problems of Leading Bodies at Present"

Article by Huan Hu: "A Philosophical Book Which Conforms to Reality -- on 'Essentials of Marxist Philosophy'"

Article by Li Xin: "Struggle All One's Life To Create Literary and Artistic Works Loved by the Masses of People -- Postscript to the 'Collected Works of Li Ji'"

Commentator's article: "Theoretically Deepen Understanding of Reform and Open-Door Policy -- Seriously Study Premier Zhao Ziyang's 'Report on the Government's Work'"

Article by the HONGQI Theoretical Education Editorial Office: "Guidance Material for the Study of Documents on the 2d Plenary Session of the 12th CPC Central Committee?"

"While Persisting in the Policy of Opening to the Outside World, It Is Necessary To Guard Against Negative Factors; Our Fundamental System Is Far Superior to Capitalism"

Article by Feng Bing: "Have Full Confidence, Do Not Deceive Oneself"

Article by Song Zhenling: "Recommend a Publication Loved by Readers -- 'Motherland'"

"Table of Contents of Issues No 1 to 12, 1984"

FURTHER ON HEAVY RAINFALL, PREPARATIONS IN ANHUI

Telephone Conference Held

OW152346 [Editorial Report] Hefei Anhui Provincial Service in Mandarin at 1100 GMT on 14 June carries three reports about Anhui Province's recent heavy rains and the province's preparations against flooding.

First, a 4-minute report says that the Anhui Provincial People's Government, in an "emergency telephone conference" held on the evening of 13 June, called on people throughout Anhui to take precautions against flooding. The report says that Anhui Vice Governor Meng Fulin and Governor Wang Yuzhao spoke at the meeting.

The report says that in his speech, Vice Governor Meng Fulin reviewed the rain situation in Anhui, saying that because of torrential rain, the precipitation in some areas along the Chang Jiang and the Huai He may exceed 200 mm and may cause serious flooding. He called on all localities in Anhui to be "ideologically prepared for combating big floods" caused by the heavy rain.

According to the report, the vice governor also instructed all flood-control organs in the province to operate around the clock and heighten their sense of organizational discipline. He also called on the leaders of all prefectures, counties, districts, and townships to lead militiamen to guard the embankments and reservoirs in various localities to ensure that they will not be damaged by the heavy rain.

The report says that in concluding the meeting, Anhui Governor Wang Yuzhao called on army men and people in Anhui to act as dauntlessly and as heroically as they did last year when they fought a victorious battle against flooding and waterlogging, so that people's lives and property can be safeguarded and normal production can be ensured.

Next, a 2-minute report says that the Anhui Military District, the provincial Economic Committee, and the provincial Public Security Department have issued separate "emergency circulars" to their affiliated units regarding the recent heavy rain.

In its circular, the Anhui Military District calls on all army men and militiamen under its command to be prepared against flooding as if it were "an emergency shock project." The Military District's circular instructs: "Army men and militiamen in all localities must organize themselves into detachments ready to provide disaster relief, and all hospitals under the Military District must organize medical teams that are always ready for action."

In its circular, the provincial Economic Committee urges all prefectural and municipal economic committees and other provincial departments, bureaus, and corporations concerned to take effective measures to ensure normal industrial production and communications, as well as power supply and other resources needed for combating flooding.

In its circular, the provincial Public Security Department urges public security organs in all localities to maintain high vigilance and do a good job in maintaining public order during the period of combating the flood.

Finally, a 90-second report cites the provincial meteorological station as saying that, during the 24-hour period ending at 0800 on 14 June [0000 GMT on 14 June] most parts of Anhui were still being hit by heavy or torrential rain.

The report says that according to the weather station, most parts of southern Chuxian Prefecture, and extensive areas of Chaohu and Xuancheng Prefectures as well as the areas west of the Huai He were hit by rainstorms. The stations adds that there was a cloudburst in Xuancheng Prefecture, and many parts of Tongling, Fangchang, Nanling, Wuhu, Xuancheng, Lanxi, and Guangde have been inundated because of heavy rainfall exceeding 200 mm.

The weather station predicts that on 15 June there will still be rainstorms in the southern part of the areas between the Chang Jiang and the Huai He, and in areas along the Chang Jiang and areas to its south.

Huai He Waters Recede

OWL61606 Beijing XINHUA in English 1443 GMT 16 Jun 84

[Text] Beijing, June 16 (XINHUA) -- Waters in the swollen Huaihe River in Anhui Province, east China, began subsiding today, according to the central flood control headquarters. No damage had been caused by the high water.

At 8 pm last night, a flood peak occurred in the middle reaches of the river with the water level at 25.94 meters, slightly above the warning mark. The peak flowed at a maximum rate of 3,900 cubic meters per second. As it passed along the river, three water retention projects along the upper and middle reaches were opened to relieve the pressure. The peak was caused by torrential rains on Tuesday and Wednesday. But dikes were not breached because of the previous low water level.

Torrential rain came to a halt in the Huaihe river basin on Thursday morning, according to the central meteorological station. The rain belt has now moved south of the Yangtze River and to the coastal areas of southeast China.

FUJIAN GIVING MORE POWERS TO ENTERPRISES

HK151059 Beijing RENMIN RIBAO in Chinese 7 Jun 84 p 4

[Report: "Fujian Province Again Holds a Meeting To Further Remove Restrictions of the 55 Factory Directors and Managers Who Asked for 'Freedom From Restrictions' 2 Months Ago"]

[Text] [Editor's note] In the course of relaxing restrictions and decentralizing powers in enterprise reform, we must not rest content with some cosmetic measures such as holding rallies and shouting slogans to create some animated scenes. Instead, we must see whether the two "big pots" have been smashed and whether the initiative of enterprises and workers has been fully aroused. Fujian Province held the second discussion meeting, attended by 55 factory directors and managers, in late May to review and sum up their experience in enterprise reform. This is a good method to promote the work. Recently various localities have taken some measures to relax control over enterprises and to give more powers to them. How, then, are things going in this regard? For example, are the "restrictions" really "relaxed?" Have the enterprises really obtained powers over their operation? Can enterprise leaders who have greater powers use them? It is hoped that localities will frequently check and review these questions. If they discover that some people are using cosmetic measures to earn false fame while doing real harm to the enterprises' development or are privately trying to line their pockets in the name of reforms, they must immediately check the malpractices and deal with the cases. [end editor's note]

More than 2 months ago 55 factory directors and managers in Fujian Province called for "relaxing the restrictions" on them and giving them greater powers. As of now, which "restrictions" have not been relaxed and what powers do the enterprise leaders still lack? In late May the provincial government invited these factory directors and managers to another discussion meeting and listened to their opinions in order to further push ahead the reforms.

The issuing of documents does not mean that the policies will naturally be implemented. The provincial party committee and the provincial government were very supportive of the enterprise leaders' requests for relaxing restrictions and decentralizing powers, and immediately issued a document with a "red title." However, this did not mean that grassroots enterprises could thus acquire greater powers in handling their businesses. The provincial Commercial Department printed about 1,000 additional copies of the document on decentralizing management powers and issued them to all large and medium-sized retail shops. But when the Commercial Department examined some 50 retail shops some 20 days later, it discovered that most of these shops had not received the document because it was detained by some leading bodies at higher levels. According to the factory directors and managers, there are still many problems that hinder the enterprises from acquiring the powers prescribed by the document. For example, the document provides that enterprises have the authority to determine the pay scale for technicians they employ, but as the total payroll for the enterprise is fixed and cannot be exceeded, how can the enterprise have the money to offer good salaries to the technicians they need?

Party secretaries and factory directors must cooperate closely. After factory directors and managers assume personal responsibility for the enterprise's overall operation and management, what should party secretaries do? At the meeting the enterprise leaders said: "Since the introduction of the responsibility system, we have a heavier burden to bear and need support and guarantees from the party organizations and the party secretaries even more." The secretaries also said: "In the past few decades as a general practice, factory directors and managers could not make a final decision without party secretaries' agreement. At present, factory directors and managers have decision-making powers, and party secretaries should actively support them and encourage them to boldly exercise their powers." The factory directors and managers all agreed with a metaphor used by Zhao Yunwen, manager of a department store in Fuzhou City: "The relationship between a factory director and a party secretary should take the form of 1 plus 1 equals 2 rather than 1 minus 1 equals 0." That is, they must not counteract each other's efforts.

The Fuzhou pencil plant was an example: In order to really help the factory director use his powers correctly, the party secretary must first be selfless and must also have professional knowledge. Gong Xiong, director of this factory, was formerly a technician, while Song Zuyi, party secretary and deputy director of the factory, has recommended Gong for party membership and for the directorship. Now, as the director responsibility system is adopted in the factory, Song Zuyi has indicated that he will back the factory director.

Many comrades who have worked as party secretaries in enterprises used their personal experience to prove that the drawback of mixing up the role of party organizations with administrative organs exists in the previous "one-head leadership system," "unified leadership system," and the factory director (or manager) responsibility system under the leadership of party committees (or the workers' and staff members' congress). The decision to adopt the factory director (or manager) responsibility system made by the Second Session of the Sixth NPC represents a major reform of the enterprise leadership system.

The session held: "As party secretaries, we will stand side by side with factory directors and managers in the forefront of enterprise reforms." How should factory directors and managers use their powers? After some management powers were decentralized, some people were afraid that factory directors and managers might not be able to use their powers in a proper way. But facts have given a good answer to these people. In the Fuzhou electronic equipment plant, factory director Lin Ruiping used his "personnel disposition power," which he acquired in April, to streamline functional departments. He reduced the number of offices in charge of administrative and backup services to nine and reduced the number of middle-level cadres from 38 to 18 people. In this reorganization he reduced the number of nonproductive personnel from more than 280 people to 140 people, with the 143 people removed from nonproductive posts all appointed to productive posts. In May the daily output of various products was higher than the preceding month.

The influence of these 55 factory directors' and managers' request for "relaxing restrictions" has far exceeded the scope of their own enterprises. This event has significantly promoted the economic reform and production in Fujian Province. According to statistics, the total industrial output value in April and tax and profit receipts of the state treasury in Fujian Province increased by 19.2 percent and 28.4 percent respectively as compared with the same period last year.

JIANGSU'S HAN PEIXIN ADDRESSES OVERSEAS CHINESE

OW150627 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 11 Jun 84

[Excerpts] The second Jiangsu provincial congress of returned Overseas Chinese opened in Nanjing on the morning of 11 June. Responsible comrades of the provincial party committee, the preparatory group for the provincial Advisory Commission, the provincial People's Congress, the provincial government and the provincial CPPCC Committee Han Peixin, Shen Daren, Sun Han, Zhou Ze, Liu Lin, Jin Xun, Ye Xutai, Luo Yunlai, Sun Jiazheng, Chen Huanyou, Ling Zihong, Wei Yongyi, and Du Ziwei attended the opening ceremony. Huang Junjun, vice president of the All-China Federation of Returned Overseas Chinese, made a special trip to Nanjing to attend the congress. (Zhang Chenhuan), executive chairman of the congress presidium, delivered the opening speech.

Amidst thunderous applause, Han Peixin, secretary of the provincial party Committee, delivered a speech on behalf of the provincial party committee and the provincial government, welcoming the opening of the congress. After reviewing the glorious tradition of the Overseas Chinese of loving the country and their native place, and the achievements in the work of Overseas Chinese affairs in Jiangsu, Han Peixin outlined the requirements for future work of the federation of returned Overseas Chinese. He urged the federation to bring into full play its role in the economic construction of Jiangsu. He said: We shall give better preferential treatment, in accordance with relevant regulations, to the Overseas Chinese who have returned to the country to make investments to speed up the building of the four modernizations in Jiangsu.

(Hong Zongyi), chairman of the first committee of the provincial Federation of Returned Overseas Chinese, gave a work report to the congress entitled "Carry Forward the Glorious Tradition of Overseas Chinese in Loving the Country and their Native Place, Strive to Create a New Situation in the Work of the Federation of Returned Overseas Chinese."

AFP REPORTS PREMIER SAYS NO CONTACTS WITH PRC

OW152209 Hong Kong AFP in English 0818 GMT 15 June 84

[Text] Taipei, June 15 (AFP) -- Nationalist Chinese Premier Yu Kuo-hwa today restated his government's policy of not having any contact or peace talks with Peking. Answering a question from legislator Fei Hsi-ping at the Legislative Yuan (parliament) today, Premier Yu said Peking's proposals for postal, commercial, and navigational exchanges with Taiwan were "political conspiracies." "Based on our previous experiences in dealing with the communists, the government knows very well that such proposals are made without sincerity and the communists lack trustworthiness," Mr. Yu told the law-makers. The Yu cabinet was installed on June 1, following President Chiang Ching-Kuo was reelected for a second six-year term by the National Assembly in March.

In his first administrative report to the Legislative Yuan last Tuesday, Premier Yu said that administrative plans and measures could be changed but basic national policy, including the anti-communist stand, would never be wavered under any circumstances. In answer to another question, Mr. Yu said Taiwan is in a strong position in widening its competitiveness with labor intensive industrial products in the international market. He pointed out that last year, for instance, Taiwan's number one export items were electronics and information products rather than labor intensive textiles, "fully indicating that we can widen the gap of competitiveness with Chinese Communist products."

Premier Yu also said there had been absolutely no Taiwan products sold to mainland China directly. Taiwan goods found on mainland China are resold from Hong Kong, Singapore and Japan, which, he said, is beyond the control of the government.

On an official ban of Taiwan residents travelling to mainland China, Mr. Yu said the government had only sent for such people "for inquiries" and restricted their subsequent travels.

PREMIER DISCOURAGES CITIZENS FROM MAINLAND VISITS

OW160329 Taipei CNA in English 0233 GMT 16 Jun 84

[Text] Taipei, June 16 (CNA) -- Premier Yu Kuo-hwa stated Friday that the Government of the Republic of China does not wish its citizens to pay visits or take sightseeing trips to the China mainland. This will prevent citizens of this country, he said, from getting involved with or snared by Peiping's united front tactics. Yu said the government will restrict from receiving future exit visas those who have visited the China mainland, especially those who have behaved badly there. The premier made the remarks in replying to an interpellation by Legislator Tsai Sheng-peng in this regard.

Premier Yu also stressed that ROC products will not be allowed to be shipped directly to the China mainland.

While replying to another interpellation Tsai had raised on the floor regarding the employment of government officials at various levels, Yu pointed out that most government positions are filled through examination and that the grades earned on the examinations are in no way affected by an examinee's affiliation with any party.

LIMITED CORRESPONDENCE ALLOWED WITH MAINLAND

OW141451 Taipei CHINA POST in English 12 Jun 84 p 12

[Text] The ROC people are not allowed to correspond with relatives on the Chinese mainland while the nation is accelerating its psychological war against the Chinese Communist regime on the mainland, the INDEPENDENCE EVENING POST reported.

Authorities concerned believe that the people-to-people postal exchange would help those on the Chinese mainland understand the progress, freedom, and prosperity on Taiwan, the newspaper reported. Even though, those wanting to correspond must make a special application to authorities and their letters will be subject to censorship, the newspaper said. The measure is designed to prevent the people from falling into Chinese Communist united front tricks, it reported.

The authorities will never detain incoming letters but would ask the addressed to destroy them if they turn out to be Communist propaganda. Applications have been steadily increasing since the measure was introduced, the paper said. Correspondence is handled through special mail boxes abroad. The Chinese Communist regime, which declared to seek unification of Taiwan and the mainland, has frequently proposed postal, commercial and air and sea links with Taiwan. But the ROC Government here has bluntly refused on public occasions, calling the proposal a united front trick to communize Taiwan.

RALLIES MARK 60TH ANNIVERSARY OF WHAMPOA ACADEMY

OW161731 Taipei CNA in English 1508 GMT 16 Jun 84

[Text] Taipei, June 16 (CNA) -- The Ministry of National Defense on Saturday held a large rally at the Armed Forces Cultural Activities Center in Taipei to mark the 60th founding anniversary of the Whampoa Military Academy. The ceremony was presided over by Defense Minister Soong Chang-chih with the participation of over 1,000 servicemen from throughout the nation. In an address to the rally, Soong pointed out that the establishment of the Whampoa Academy originally near Canton, Kwangtung Province, is not only of great significance to the national revolution but also a important milestone in the modern history of China. Because of the establishment of the Whampoa Academy, Soong continued, the people of this country are therefore able to enjoy freedom and happiness without fear. In order to create another glorious page in Whampoa's history, Soong has called on all servicemen and cadets to:

-- Uphold the spirit of the Whampoa Academy to strive for the final victory in the nation's sacred war against the Chinese Communist regime;

-- Follow the instructions of the late President Chiang Kai-shek, founder of the National Revolutionary Army, to set up the concept of total defense; and

-- Consolidate the nation's leadership to accelerate the modernization of the nation's Armed Forces.

In Fengshan City, Kaohsiung, Hau Pei-tsun, chief of the General Staff of the Ministry of National Defense, presided over a large rally on the playground of the Whampoa Military Academy, relocated there, to commemorate its 60th founding anniversary. The academy was established by the late President Chiang Kai-shek under the instruction of Dr. Sun Yat-sen in 1924.

A review of the cadets of the nation's military academies was held after General Hau read a congratulatory message from President Chiang Ching-kuo. Among those who were invited to attend the celebrative occasion were General Ho Ying-chin, General Ku Chu-tung, ranking government officials, public representatives, military chiefs, county and city chiefs of the China Youth Corps, college and university presidents, freedom seekers and military attaches of foreign embassies.

QIAN JUNRUI DISCUSSES 'HONG KONG MODEL'

HK180344 Hong Kong HSIN WAN PAO in Chinese 15 Jun 84 p 10

[Article by Soutu Hao: "Qian Junrui Discusses the Two Systems"]

[Text] At a time when everybody is talking about the concept of one country and two systems, namely, socialism being practiced in a country while capitalism is allowed to exist in part of the country, well-known Chinese economist Professor Qian Junrui has published an article in Shanghai's SHIJIE JINGJI DAOBAO to discuss this question, which has aroused the interest of many people. After analyzing the economic situation both at home and abroad regarding this question, this specialist holds: "The Asia-Pacific region has gradually become the central arena of the world economy, and one of the major characteristics of Chinese-style socialism is the notion of one country, two systems."

The notion of one country, two systems that Qian Junrui refers to, means the tangible promise that after 1997 Hong Kong will become a special administrative zone of China where the social and economic systems and lifestyles will remain unchanged for 50 years.

This model of post-1997 Hong Kong holds good not only for Hong Kong alone but also holds good for Taiwan as reference as well. Does the "Hong Kong model" serve as an "example" for Taiwan? Judging from the present situation, it seems premature to say so. The accomplishment of a thing needs a process of deliberation and discussion. For example, the issue of Hong Kong's future cannot be settled right away in a few words; just as a Guangdong saying goes, "success requires efforts."

While touching on these questions, Qian Junrui said: "Great changes have taken place in the world economic situation." Please note that there are significant changes and not ordinary ones. He said: "It is very likely that the Pacific will replace the Atlantic and become the central arena of the world economy. Among the Pacific countries and regions, the economy of socialist China is developing at an accelerated pace and its economic results are improving continuously. Japan's economic growth is bound to surpass that of the United States and Western Europe. The five ASEAN countries have made outstanding achievements in this respect. The two superpowers are assiduously striving to conduct business in the Pacific region. The majority of the new emerging industries of the United States are centered on its Pacific coast and the focus of Soviet development has been shifted to its Far East."

In addition, Qian Junrui said: "The economies of Hong Kong, Taiwan, and South Korea will continue to grow. Therefore, judging from every angle, the rising trend of the Asia-Pacific region is irreversible." In other words, the economies of this region are bound to continue to grow and the rising momentum of this region is irresistible. There are indications that the rising trend of the region are already foreseeable rather than only being predicted.

This economic specialist said: "The model of Chinese-style socialism is characterized by the notion of one country, two systems. While the socialist system is practiced in most of the country, the capitalist system will continue to be maintained in Hong Kong and Taiwan. Two systems will coexist in a country for many years, with each supporting the other in peaceful competition. This state of affairs will remain unchanged for at least 50 years. One may well envisage that in this peaceful competition, socialism will display its convincing superiority and more and more people will cherish the ideal of socialism. The fact that socialism is bound to win victory in this peaceful competition will be of great world significance." One may wait and see what is not yet reality at present.

It is only the realization of the transition from capitalism to socialism in the course of peaceful competition that will completely convince the people, and this is only the wise remark of an experienced person in the past.

CENTER TO AID TRADE BETWEEN PRC ZONES, HONG KONG

HK160306 Hong Kong HONG KONG STANDARD in English 16 Jun 84 p 1

[Excerpt] A halfway house is being set up to facilitate more trade between the 14 Chinese free trade zones and Hong Kong. This communication centre will further benefit local commerce as it will improve trade channels and open opportunities for representatives from China who want to buy skills and equipment not available at home. Mr Wang Quangying, chairman of Everbright Industrial Company, told reporters yesterday that the new trade office will be set up on the eighth floor of the Far East Finance Centre, in the same building where Everbright now has its headquarters. Mr Wang was speaking after the official opening of the 11th Design Exhibition of Caritas Bianchi College of Careers. "I have invited all 14 coastal cities to send one or two representatives each," he said. The 14 coastal cities are Dalian, Qinhuangdao, Tianjin, Nantong, Shanghai, Yantai, Qingdao, Lianyungang, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang and Beihai. Though the invitation was warmly welcomed, Mr Wang said he has not yet received any firm replies. Mr Wang also said renovation of the office has started and it will be opened as soon as possible. He could not tell the exact date of opening.

EXECUTIVE COUNCIL MEMBERS TO VISIT BEIJING

HK151052 Hong Kong Domestic Service in English 1000 GMT 15 Jun 84

[Text] Three unofficial members of the Executive Council are visiting Peking in connection with the future of Hong Kong, beginning next Thursday. They are senior unofficial, Sir S.Y. Chung; Miss Lydia Dunn, and Mr Q.W. Lee. Confirmation of that visit and further details are expected to be announced this evening.

END OF

FICHE

DATE FILMED

19 JUNE 1984

